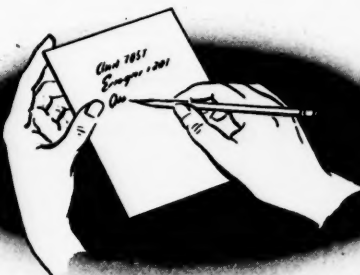


The NATIONAL UNDERWRITER

Life Insurance Edition



MORE...

As competition for the buyer's money increases, our men are finding that the combination of

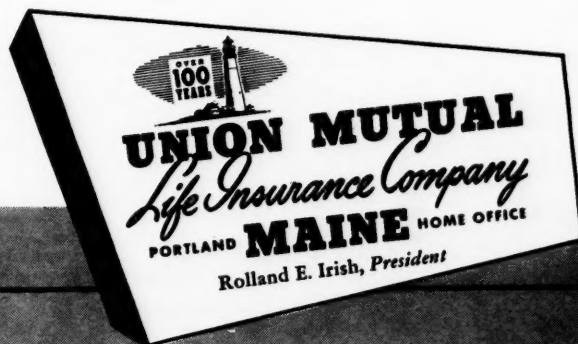
**Life Insurance
and**

Noncancellable Sickness and Accident

insurance means MORE . . . in sales "leverage" . . . in ability to service soundly . . . in prestige and profit.

Noncancellable Sickness and Accident insurance is playing an increasingly important part in the sales program of our successful life underwriters these days. Sales records reflect the fact that, as their Non-Can sales increase, their Life sales increase, too!

Such is the benefit of a COMPLETE
sales kit.



FRIDAY, OCTOBER 14, 1949

Progress in fighting DIABETES



One of the final steps in the extraction of purified insulin from pancreas glands. Here a solution of insulin is being filtered. It is later adjusted to meet dosage requirements of individual patients.

What medical science is doing...

Great advances have been made in controlling diabetes. The discovery of insulin in 1921 has led to a much greater life expectancy for the average diabetic today. For example, at age 40, the expectancy is more than twice what it was before insulin was developed.

Medical science is still on the march. It has developed different types of insulin. Some are quick acting with a short term of effectiveness, while others are slower acting but longer lasting. Recent research gives hope that there soon will be available a single insulin that combines both the rapid and more lasting effects. In many cases, this would mean better control of the disease.

In addition, it has been discovered that diabetes can be produced experimentally with a substance called *alloxan*, as well as by other means. This may shed new light on how and why the disease develops. Various studies, including research with radioactive isotopes, also offer hope for important advances in the treatment, and perhaps the prevention, of diabetes.

What you can do...

Recent surveys indicate that in addition to the million known diabetics, another million people in our country have diabetes and are unaware of it. So it is wise for everyone to keep alert for these warning signals—excessive thirst, hunger, or urination, continual fatigue, or loss of weight. It is important to see a doctor at once if any of these conditions appear.

Doctors recommend that everyone have an annual physical examination, including tests for diabetes. These tests are especially important for those who have diabetes in the family, those who are overweight, and those past 40 years of age.

Diabetes is a condition in which the body is unable to utilize properly the sugars and starches in food. While there is as yet no cure, modern medicine can generally control it through insulin, diet, and exercise. By following the doctor's advice about keeping these three factors in proper balance, it is usually possible for the diabetic to live a practically normal life.



Making one of the tests for diabetes. Chemicals are added to a sample of blood. The resulting changes in color help to indicate the level of sugar in the blood. A high level may signify diabetes.

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Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

1 Madison Avenue, New York 10, N. Y.



This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in magazines with a total circulation in excess of 34,000,000 including Collier's, Time, Newsweek, Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, Cosmopolitan, McCall's, American Magazine, Woman's Home Companion, National Geographic, Parents', and Redbook.

O'Mahoney Probe Gives Preview of Type of Questions

Queries Would Dig into Investment Policy and Underlying Reasons

WASHINGTON—Joint economic committee staff members expect its investment subcommittee will hold further hearings, probably early in December, when it is planned to call life companies' executives and representatives to testify.

In that connection, the staff has indicated in a report on "factors affecting volume and stability of private investment," materials bearing upon investment problems which it suggests the committee should study.

Lists Many Topics

The report lists a number of "topics and questions upon which information might well be sought." If the staff's ideas are carried out, insurance witnesses coming before the committee would be asked the following:

1. Portfolio management in general. (A) If existing restriction on qualified investments were eliminated entirely, how would you alter the proportions or holdings of your present portfolio? (B) In appraising the possibilities of a new investment item, do you have a minimum amount below which you feel it is impractical or too costly to go? How was this amount arrived at, that is, what considerations determine the figure? (C) In appraising the possibilities of a new investment item, do you have a maximum above which you feel it is inexpedient or too lacking in diversification for acquisition? How was this amount arrived at, that is, what considerations determine the figure?

Fixed Interest Obligations

II. Fixed interest debt obligations are a traditional media for insurance company investment. (A) As a regular investor in evidences of debt, what evidence do you see suggesting a shortage of equity capital? (B) For various types of debt securities what ratio of underlying equity do you feel is necessary? (C) Has there been any change in recent years in the attitude of either business or financial institutions on an acceptable debt to equity ratio? (D) It is sometimes said that there has been a relative scarcity of corporate bond issues in recent years. (1) Would you agree? (2) How does this fit in with an asserted shortage of equity capital? (3) Is the scarcity the result of a shift in the situation of corporate borrowers and hence in the absolute amounts available or is it the result of larger funds seeking this type of fixed investments?

PRIVATE SALES

III. Private placements. (A) Are so-called private placements initiated typically by (1) the borrower; (2) an intermediary; (3) the prospective creditor? What provisions are made for watching, supervising, or controlling the debtor's use of funds and the subsequent management of the business in the interest of debt service and ultimate re-

(CONTINUED ON PAGE 20)

Snyder Optimistic; Sees Sustained Purchasing Power

"The primary need of our domestic business situation is to supply real customer demands, for which the purchasing power is there—in pay envelopes, in government bonds and in the banks," Secretary of the Treasury Snyder told the American Life Convention meeting at Chicago.

"The backlog of individual savings—an important element of strength in our present situation—is at a record level," he said.

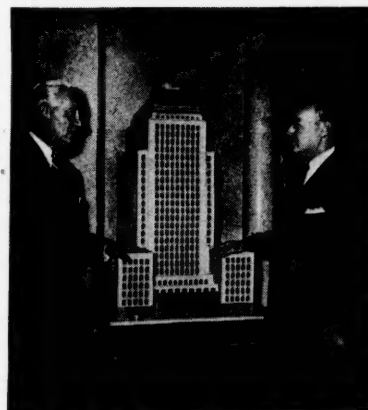
"Since the end of 1945, the savings of individuals in the United States have risen by the following percentages: United States savings bonds, 13%; life insurance, 30%; shareholdings in savings and loan associations, more than 60%; deposits in mutual savings banks, 25%; savings accounts in commercial banks, 15%; postal savings accounts, about 10%; and checking accounts of individuals, about 10%. Of the various forms of liquid assets, only holdings of currency in the hands of individuals fell off.

Appraises Devaluation

Devaluation of foreign currencies last month should be a step toward closing the gap between the \$12 billion export and \$6 billion import trade of the United States, the Secretary said.

Reviewing the role of life insurance in the American economy, Mr. Snyder pointed out that 1948 was a milestone in the history of the business, when life insurance ownership passed the \$200 billion mark, twice the total only 13 years ago. He said the life insurance business has built its remarkable success on two simple principles: faithful observance of the highest fiduciary standards, and faithful discharge of all contractual obligations.

At Hancock Opening



Treasury Secretary John W. Snyder, (right) and Paul F. Clark, chairman and president of John Hancock, before a model of the 26-story home office building which was officially opened recently in Boston, with Mr. Snyder as main speaker. Model is in the lobby of the building.

Secretary Snyder was a speaker at the opening ceremony.

State Mutual Up 17%

State Mutual Life reports a 17% gain in September in ordinary paid business over the same month of last year. Leading the company for September was the Goodwin agency of Boston, Mass. Runner up was the Gros agency of Memphis.

SS Bill Wins in House but Senate Action Unlikely

WASHINGTON—The House passed the social security bill by a vote of 333 to 14, with Rep. Rankin, Mississippi, voting "present," after having defeated a minority substitute offered by Rep. Mason, Illinois, by 113 to 232.

The bill now goes to the Senate, where Senator George, finance committee chairman, says nothing will be done with it at this session of Congress.

Among other things, the House bill provides for an average increase of 70% in OASI benefits to present beneficiaries; a new category of total and permanent disability coverage, regardless of age; a wage credit to world war II veterans of \$160 per month under OASI, for time spent in military service; an increment of .5% for each year of an individual's OASI coverage.

It also extends the OASI system to about 11 million persons not now covered. This consists of non-farm self-employed, other than certain professional workers such as doctors, lawyers, dentists, etc.; employees of state and local governments; domestic servants in private homes (not on farms); employees of non-profit organizations and institutions other than ministers and members of religious orders; agricultural processing workers off the farm; certain federal employees not under present retirement systems; employees and self-employed persons in Puerto Rico and the Virgin Islands.

Would Boost OASI Taxes

The measure provides for increasing OASI taxes upon employers and employees from the present 1% on each to 1½% on Jan. 1, 1950; 2% Jan. 1, 1951; 2½% Jan. 1, 1960; 3% Jan. 1, 1965; 3½% Jan. 1, 1970.

These taxes would be collected on the basis of the first \$3,600 of wages or salary, instead of the present \$3,000 basis.

The bill would repeal the Gearhart act, which exempted from social security thousands of life insurance agents and others regarded in certain quarters as independent contractors.

The minimum OASI benefit is increased by the bill from \$10 to \$25 per month and the maximum benefit for a family from \$85 to \$150 per month.

OASI beneficiaries 65 years and older would be permitted to earn up to \$50 per month in covered employment, instead of \$15 as at present, without forfeiting their benefits.

The bill passed the House after only two days' discussion, although the "green light" rule given to it would have allowed four days.

Brown Heads Ohio Congress

The annual session of the Ohio Fraternal Congress held in Columbus elected Gerald Brown, Protected Home Circle, Canton, president; Miss Frances Mizenko, First Catholic Slovak Ladies Union, Cleveland, secretary; Frank M. Surtz, Slovenian Mutual Benefit Assn., Cleveland, 1st vice-president, and W. O. Rayburn, Standard Life, Columbus, was elected, treasurer. Speakers at the meeting included George G. Perrin, general counsel Modern Woodmen and president of the National Fraternal Congress, and August Pryatel, assistant Ohio superintendent of insurance.

R. S. Hicks has been named secretary-treasurer of Durham N. C., Life Managers Assn., succeeding L. A. Peacock, resigned.

Brilliant Financial Section Program Winds Up ALC Meet

Rickenbacker Talk Is Rousing Climax to Annual Gathering

Brought to a rousing climax by the dynamic talk of President E. V. Rickenbacker of Eastern Air Lines, the annual meeting of the American Life Convention at the Edgewater Beach hotel, Chicago, wound up with the brilliant program of the Financial Section.

It was an innovation to have a section meeting following the final general session but the size of the audience that thronged the ballroom would have done credit to any general session. In fact, there was hardly an empty chair to be seen during the Rickenbacker address.

Captain Rickenbacker, whose presence on the program was directly due to J. M. Bryan, 1st vice-president of Jefferson Standard, who was chairman of the Financial Section, talked somewhat on insurance but what brought the audience to their feet as they applauded him was his hard-hitting and sincere plea for preservation of the American free enterprise system against the inroads of leftist movements. It was a familiar theme from a business executive, but Captain Rickenbacker put it out in a way that gave it the vitality and urgency that it deserved.

Praises Life Companies

Captain Rickenbacker expressed appreciation for the absence of "barbed wire" reservations as to scheduled air line travel in life insurance policies. He said that before the second world war life insurance restrictions had made it hard to fill passenger seats on the airlines. He said that the safety record for the first half of 1949 was even better than for 1948, when there were but 1.3 passenger deaths per 100 million revenue passenger miles flown.

This record would have continued to show steady improvement but for a fighter pilot crashing into an Eastern Air Lines plane. That broke a record of some 11 months of scheduled passenger flying in the United States that covered more than six billion revenue passenger miles without a fatal accident. No other type of transportation in the world has operated that long without a fatality, he said.

Captain Rickenbacker said that when insurance executives support aviation by granting increasingly liberal policies they are helping aviation in all its phases—"for peaceful prosperity or for victorious war."

Mentioning the insurance on his own life, Captain Rickenbacker said Eastern Air Lines took out a million-dollar policy on him when he became president. Later when he was going on war missions for the government he obtained another million of personal coverage

(CONTINUED ON PAGE 18)



R. B. Patrick

State Officials Favor Restrictions on Reinsurances

Zone 4 Asks Interstate Approval, Condemns Pre- mium Income Financing

MILWAUKEE—Resolutions recommending a definite system of interstate approval of life company reinsurance deals and voicing disapproval of financing the purchase of life business by a pledge of premium income or comparable plan were adopted by zone 4 of National Assn. of Insurance Commissioners at its gathering here. Each of the eight states in the zone was represented by its commissioner, deputies, chief examiners, actuaries and rate men. A. W. Harris of Minnesota was in charge.

The resolutions will be submitted to N.A.I.C. for action at the December meeting at Galveston. One recommends that the proposal for the reinsurance of all, or substantially all, of the business of any life company licensed in more than one state be first submitted for the consent or approval of the commissioners of all of the states in which the companies are licensed. Or if this is impractical or impossible, the approval should be given by three states, including the state or states of the companies involved, and the state or states in which the company to be reinsured has the next largest volume of business in force. The committee shall be formed on call of the commissioner of the state in which the assuming company is domiciled and in passing on the proposal all matters involved which affect the public interest shall be considered.

Second Resolution

The second resolution frowns on the practice of reinsuring all or a substantial part of the business of a life company under any agreement that provides for payment from and out of gross premium income or from funds derived from the pledging of gross premium income, or otherwise than from funds which are over and above present or future normal surplus requirements and repayment of which shall be approved when made by the appropriate commissioner.

While this was not officially mentioned, there is no question but that these resolutions were prompted by the means that were employed to finance the reinsurance of Alliance Life of Chicago by Republic National Life of Dallas. The Texas company has pledged up to 10% of premium income to satisfy bank loans amounting to \$2 million that were negotiated by a separate corporation.

Attending the meeting in Milwaukee were Commissioners Harris, Minnesota; Forbes, Michigan, who is also president of N.A.I.C.; Hershey of Illinois; Viehmann of Indiana; Alexander of Iowa; Krueger of North Dakota; Mueller of South Dakota, and Lange of Wisconsin, the host commissioner. About 40 department men attended.

The group was guest at a dinner by Pabst Brewing Co. one evening, together with local company and agency leaders. The domestic life, fire and casualty insurance companies and fraternal benefit societies tendered the commissioners and their assistants a testimonial banquet at the Hotel Schroeder.

Lange, Harris and Forbes spoke briefly. Harold Parsons, assistant Wisconsin attorney general who works

(CONTINUED ON PAGE 28)

Lists Effects of TDB Laws On Privately Insured Plans

The impact of state disability legislation on private plans will vary with the nature of the legislation itself, Richard E. Chislett, II, of the insurance and social security department of Standard Oil (N. J.), said at the personnel management conference of the American Management Assn. Laws may disregard entirely the existence of company plans and require a new disability benefits system which duplicates an existing one, or at the other extreme it may accomplish the same major objective and make the fullest use of private, voluntary effort as represented by existing plans, he said. The latter type of law means to any company having an existing disability benefits plan the least additional expense, the most freedom of action and the least disturbance of employer-employee relations policies.

Careful Review Needed

A careful and complete review of existing private plans is required whenever a disability benefits law is passed, he said. Private plans, for example, do not often provide benefits to as many of the employer's employees as the state law specifies. Usually the private plan provides that employees cannot become eligible for benefits until they have been employed for a period of time. But the state laws may require that benefits become payable immediately upon employment of an individual. In consequence, either the probationary period must be eliminated from the plan or a new separate private plan must be established for those employees, or if the law permits as it does in New Jersey, the employees can be covered under a state fund until the qualifying period has been served. Some private plans apply only to a class or classes of employees. Either eligibility

under those plans must be extended to all employees or a new private plan or plans must be established for them, or if permitted, they may be covered by the state fund.

State disability benefit laws so far require that coverage be provided for another group which, he said, so far as he knew, has never before been eligible for benefits under a voluntary plan. These are former employees who must remain beneficiaries of the private plan for from two to four weeks after they have left the employ of their employer or until they secure employment with another. In New Jersey the alternative of covering the ex-employees in a state fund is not allowed. Any private plan must provide this coverage for ex-employees before it will be approved.

Rearrangements Required

Many existing private plans provide for maximum weekly benefits for example of \$25 for 13 weeks whereas the law in New Jersey requires a weekly benefit of \$26 for 13 weeks. Some plans vary the benefits according to their normal wage or length of service or both which in some cases produces a benefit less or greater than that required by law. The plans must be rearranged so that the employees receive at least the minimum benefits required.

In New Jersey, he said, many plans existed before the law was passed which provided benefits for 13 weeks while the law stipulated that they be payable for 26 weeks. In New Jersey it makes no difference whether the individual receives more in total benefits for 13 week illness under a private plan than he would under the law for a 26 week illness. In New Jersey and California the

(CONTINUED ON PAGE 28)

New York TDB Law Big Topic at A.&H. Bureau Meeting

W. E. Kipp Heads Governing Committee Succeeding Logan Bidle

By FRANK A. POST

Discussions of problems involved in writing business under the New York cash sickness law dominated the annual meeting this week at Highland Park, Ill., of Bureau of A. & H. Underwriters. One of the major addresses at the opening session was on that subject, by T. Y. Beams, vice-president of Eagle-Globe-Royal Indemnity. It also was taken up in the addresses at that session by Logan Bidle, Aetna Life, chairman of the governing committee, and Berkeley Cox, vice-president of Aetna Life, and the entire afternoon session the first day was devoted to a round table discussion of that topic.

Life and Casualty Viewpoints

One of the biggest problems involved is that of reconciling the varying viewpoints of life companies, which regard the business to be written under the New York law as group coverage, and the casualty companies, which consider it as an extension of workmen's compensation. There is much in the law itself to sustain both viewpoints. Its administration is in the hands of the workmen's compensation board but the provisions of the group law are made applicable to it. Both elements are making every effort to bring about a harmonious setup. That result undoubtedly will be accomplished but there are still many points to be marked out.

W. E. Kipp, Indemnity of North America, was named as the new chairman of the bureau governing committee to succeed Mr. Bidle, who has served two years in that post. Mr. Kipp started in the A. & H. department of Metropolitan Casualty in 1909.

He joined Indemnity of North America in 1920, the year the company was founded, as assistant superintendent of its A. & H. department. For the last two years, Mr. Kipp has been chairman of the bureau's underwriting committee. As a member of the legislative and regulatory committee he has aided in the development of the revised standard provisions law. He was named assistant secretary in 1921.

The round table discussion was quite largely "off the record," because of the fact that final decisions have not been made on many of the questions under consideration. P. I. Burns, Eagle-Globe-Royal Indemnity, was the discussion leader. E. H. Marshall, Indemnity of North America, took up the general principles involved in writing business under the New York law. J. K. Honey, Life Insurance Assn. of America, outlined the advisory policy forms, two sets having been drafted for life and casualty companies. George E. Light, Travelers, analyzed the proposed regulations just promulgated which are to be the subject of a hearing later this month. He referred to the definition of employer and employee and the assignment of responsibility of employer; the status of existing or future private plans, particularly those involving collective bargaining or agreements with associations of employees, and the meaning of "at least as favorable." L. A. Orsini of the bureau staff took up company and the applicability of the group A. & H. law. Harry V. Williams, Hartford Accident, gave a comprehensive discussion

(CONTINUED ON PAGE 26)



LOW PRESSURE SELLING

As life insurance men we know that the average man does not readily buy the life insurance he needs, knows he needs, and someday intends to buy, unless he is motivated to action by pressure of sometime or other. But we also share with all good life underwriters a profound aversion to "high pressure" selling.

How, then, are we to resolve this conflict?

We can resolve it by substituting the pressure of the idea for the pressure of the man. We can impress the prospect so deeply with his need for our plan, and explain so clearly how our plan will fill his need that tremendous pressure will be brought to bear upon him: Not the pressure of us personally, or our personality, but the pressure of the idea which we have planted in his imagination.

Insurance in Force September 1, 1949, \$422,608,952

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE

"Wave" of Company Purchases Attracts Much Attention

Tax Angles Loom Large in Many Recent Transactions

The fact that four or five life insurance companies have been sold in recent weeks or are in process of being sold is attracting much attention and is even being referred to as a "wave." Among such deals was the sale of Alliance Life of Chicago to Republic National, Reserve Loan Life to Southland, Great Northern to Washington National, and the proposed sale of St. Louis Mutual to Postal Life & Casualty of Kansas City. There are rumors of other deals being shaped up. Incidentally the question has been asked as to the status of Atlantic Life, now that Reserve Loan has been merged into Southland. Some were under the impression that Reserve Loan was the owner of Atlantic. Actually, it is understood, Atlantic is owned by the Murchison interests of Texas, that also owned Reserve Loan. Hence Atlantic Life was not tied into the Reserve Loan-Southland merger.

The prices that are being asked for life companies and that are attracting prospective buyers is commanding interest. In the 1920s the rule of thumb was that life insurance business was worth \$30 per thousand of insurance in force over and beyond the free resources of a company. That was in the days of 5 and 6% interest. When interest rates went on the toboggan and it was necessary again and again and again to increase reserves on the old 3 and 3½% business, ideas of what life insurance was worth were revised downward sharply and it might be said that there was a period when \$10 was the top any buyer would consider paying.

Buyers, Sellers Closer Together

However few deals were closed on that basis. There were many moneyed interests that wanted to buy, but there was little or nothing for sale at their prices. Today the ideas of buyer and seller appear to be getting closer together. The current asking price is understood to be in the neighborhood of \$20 and the deals that have been closed have been close to that figure. The worth of business is being debated and with quite a divergence of opinion. There are actuaries who opine that old 3½% business is worth nothing, but there are people who have the money and are willing to back their opinion with it that it is worth \$20. The sellers at least are not willing to consider any offer very far below that amount.

One factor that tends to strengthen the value of life business is the interest of companies with a preponderance of A. & H. business in acquiring it. It is a question here of "cherchez-la-taxe." Combination A. & H. and life companies with 50% or more of premiums from the life end are taxed federally as a life company whereas those with less than 50% of life business are taxed on their A. & H. business as a casualty company, which is to say on underwriting profit. The difference is so substantial that an A. & H. company finds it worthwhile to pay somewhat more than an actually sound price for life business.

Some of the deals that are being considered, it is understood, also are motivated by reasons of tax, but estate and

(CONTINUED ON PAGE 28)

Provident L.&A. Has Group "Workshop"



Shown above are members of the Provident Life & Accident home office staff at the group department's workshop meeting in Chattanooga. From left, seated, are R. L. Maclellan, President Robert J. Maclellan, L. N. Webb, and W. C. Cartinhour, standing, Edward L. Mitchell, Brooks Chandler, M. C. Nichols, and W. R. Webb.

Stiner Resigns State Job, Joins Universal Surety

LINCOLN, NEB.—Fred K. Stiner has resigned as assistant director of insurance of Nebraska and departmental attorney to become vice-president of Universal Surety of Lincoln. The change is effective Nov. 1. Mr. Stiner, formerly of Hastings,

Neb., joined the department after being graduated from law school in 1947. Robert H. Rydman, formerly of Omaha, will be promoted from policy attorney to departmental attorney. No action is being taken now to fill the position of assistant director. Rydman will be succeeded by Thomas H. Luhe, formerly of Seward, who recently joined the department.

Forty-Nine Passersby

F. Bowie Addison, our General Agent at Baltimore, relays to us the story of one of his underwriters in a smaller city:

"I was recently fortunate enough to place a life policy under circumstances which taught me a lesson in prospecting. Another life agent introduced me to a business man of our locality. Since he was a close friend of the business man I naturally assumed that he had him fully covered with insurance. However, I suggested a survey to determine insurance needs. He readily agreed, and on examining his policies I found that he had no business life insurance and but \$20,000 of personal, of which he had bought \$5,000 in two policies during the past year.

"What is remarkable is that there are fifty agents with offices in the same building with his. The agent who wrote the recent policies was either one of these fifty, or was 'the good friend' we so often hear about. I placed \$50,000 of Ordinary Life without difficulty and he is still a prospect for business life insurance."

• • •

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

Cal. Regulations Issued for UCD Hospital Cover

New Feature Treated as Additional Benefit, Not Expense Indemnity

Regulations concerning the amendment liberalizing the California UCD law have now been promulgated by the state department of employment. The effect of the amendment is changed by the regulations from what it was popularly thought to consist of. The general opinion was that it was a hospital expense indemnity benefit of \$8 a day for 12 days, but the regulations make clear that this is an additional benefit that is payable if the person otherwise entitled to UCD benefits, is also confined to an institution meeting the definition of a hospital under the new regulations. Thus the employee can recover even though he is receiving free hospitalization service.

The regulations make clear that such things as the ordinary rest homes will not constitute hospitals.

Definition of Hospital

A hospital within California is defined to mean institutions licensed by the department of public health as small general hospital, large general hospital, maternity hospital or tuberculosis hospital or sanatorium; those institutions operated as hospitals but exempt from licensing by the department of public health under the provisions of sections 1415 (a) and 1415 (b) (these including the hospital of University of California, state and federally operated hospitals, including VA) of the health and safety code, and those institutions operated as mental hospitals, licensed by the department of mental hygiene which are primarily intended for, staffed and equipped to provide for the reception, care, diagnosis, and treatment of acute mental and nervous diseases. Outside of California hospitals are defined as those institutions licensed as a hospital pursuant to the statutes of the state or operated pursuant to law with organized facilities for diagnosis and surgery and 24-hour nursing service.

The definition apparently excludes certain institutions regarded as hospitals by osteopaths and chiropractors, particularly in southern California. Also it apparently excludes hospitals conducted by certain religious denominations for the care of the sick and depending primarily or perhaps solely upon prayer and spiritual means for healing.

Hospital Facilities Reviewed

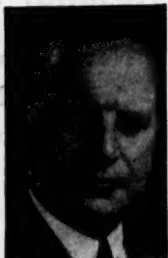
At present there are in the state 243 small general hospitals, that is those having fewer than 100 beds, 57 general hospitals with more than 100 beds, 74 county hospitals, 24 maternity hospitals, nine tuberculosis hospitals, two specialized hospitals. In addition, veterans administration, U. S. department of public health, army and navy maintain certain hospitals. There are a few hospitals already erected or existing under the relatively new district hospital act. It is expected that there may be many more district hospitals established within the next few years. These are to be distinguished from the usual county hospital.

The regulations clearly mean that only those hospitals which are bona fide and genuine in the usual and popular concept of that term are to be regarded as "hospitals" under this new legislation.

The regulations with relation to the (CONTINUED ON PAGE 27)

Parker Reports on American Service Bureau

Lee N. Parker, president and general manager of the American Service Bureau, insurance inspection affiliate of the American Life Convention, reported to the executive session at A.L.C. Chicago meeting that the bureau presented the strongest over-all position it has ever enjoyed, free of debt and with what he believed to be ample resources for any requirements.



L. N. Parker

The need of the bureau for broader customer contact has prompted the return of Gordon Gifford, home office representative on the west coast, to Chicago as assistant to R. R. MacKenzie, vice-president, to operate from the home office in a contact and sales capacity. Mr. Gifford is being succeeded on the coast by C. H. Tinsley, Jr., now manager of the San Francisco office. Mr. Parker also reported six managerial changes since Jan. 1 in the interest of broadening service to A.L.C. companies. In paying the tribute to the members of the board, Mr. Parker particularly expressed his gratitude to W. F. Bixby, president of the A.L.C. and of the Kansas City Life, whose support of the bureau throughout its entire 30 years has been a conspicuous factor in its success.

The bureau has during the past 30 years established and now maintains 40 offices, furnishing 47 different types of inspection services.

Compulsory Health Planners Distort Facts, Doctor Charges

A charge of distorting facts was leveled at proponents of compulsory health insurance by Dr. L. O. Pence in an address before the Spokane (Wash.) Insurance Assn. Dr. Pence declared that the 300,000 persons who, according to proponents of compulsory insurance, died for want of adequate medical care included persons who died from accidental cases and mentally and physically incompetent persons, all of whom would have been beyond aid from either voluntary or compulsory health insurance.

Courts Split on Foreseeable Risk

William B. Cozad, general counsel National Fidelity Life, Kansas City, said at the A.L.C. Legal Section meeting during the Chicago convention that the doctrine of foreseeable danger has a definite place in the defense of actions under double indemnity provisions because a study of such cases "clearly demonstrates that 'foreseeability' of the result of voluntary acts plays an important part in ultimate decisions."

There are two conflicting lines of authority, Mr. Cozad noted, resulting from two well-defined and divergent philosophies culminating in different interpretations of the meaning of the phrase, "accidental means."

Voluntary Act

Under one view no recovery can be had, Mr. Cozad said, where death results from an injury brought on by a voluntary act by the insured, even though the resulting fatal injury was totally unexpected. This view recognizes the distinction between accidental result and accidental means.

Nevertheless, he pointed out, many courts adhering to the foregoing view have ruled that the insured in committing a voluntary act involuntarily committed it in a way not intended, the injury and death therefore having been effected by accidental means.

Other Interpretation

Under the other interpretation, Mr. Cozad explained, recovery is allowed where the insured in the performance of a voluntary act receives unexpected or unforeseen injuries resulting in his death. These cases are decided upon the theory that if the result is unexpected, and in this sense accidental, it is immaterial that the "means" is intentional, or that the word "result" and "means" in this connection are legally synonymous.

To Address Women's Forum

A women's finance forum, sponsored by the First National Bank of Minneapolis, will have life insurance men as its first two speakers. Lawrence Washington, vice-president of Metropolitan Life, will speak at the opening meeting Oct. 17 on "Personal Financial Planning," and A. R. Jaqua, director of the Southern Methodist University course, will speak the following week on "Life Insurance and Social Security." There will be four other lectures. Meetings will be held in the auditorium of North American Life & Casualty building.

Sees Welfare State in Health Plan

Compulsory health insurance is another spoke in the wheel of the welfare state, of which the hub is the social security act, Edward H. O'Connor, executive director Insurance Economics Society, declared during a forum on voluntary versus compulsory health insurance conducted by the Illinois State Chamber of Commerce in Chicago.

"Few persons see that once you accept the principle that governments either federal or state have the primary responsibility to provide support for individuals who are out of the labor market, either permanently on account of old age or temporarily on account of unemployment, you will ultimately be compelled to accept all the major social security programs. Thus, logically, you will be compelled to accept the cash sickness benefits program because unemployment due to sickness is akin to unemployment due to lack of a job. Similarly, unemployment due to permanent disability is akin to unemployment due to old-age."

"There is little doubt but congressional bill H. R. 6000 is the first major step forward to the welfare state. It is the base for still further extensions of the social security act into the field of workmen's compensation, temporary disability and eventually socialized medicine."

Dr. Paul R. Hawley, chief executive officer, Blue Cross and Blue Shield commissions, joined with Mr. O'Connor in arguing against compulsory health insurance after Oscar R. Ewing, administrator federal security agency, defended the plan on the grounds that 80% of American families cannot bear the expense of major or chronic illness and that voluntary insurance plans are not providing sufficient medical care.

Launch Select Risk Plan

West Coast Life has a new preferred risk whole life participating policy to be issued to select lives from ages 15 to 65. The minimum amount written under the contract will be \$5,000.

The company has made it possible to add the family income rider to a portion of the face of the basic policy instead of requiring its application to the full face. The inclusion of a conversion privilege now permits the conversion without evidence of insurability within the premium paying period as of the attained age and date for an amount not in excess of the commuted value of the family income at the time of conversion.

Pension Inquiries Flood Companies' Group Departments

Corporations Seek Cost Data but Sales Await Further Developments

Home offices group departments are swamped with inquiries about pension plans and their costs although as yet the inquiries have not turned into any considerable volume of new business. Since the announcement of the Ford pension, and the steel and coal strikes, a flood of letters, wires, and phone calls has been pouring into harassed group annuity and pension departments. Results in the form of actual sales from these inquiries are not expected in any volume for some months, perhaps in the spring when the Ford plan takes effect and when a steel plan is expected to start.

Employers of all sizes are among the questioners and it appears to the group men that the pension bug has caught on. They think though that the employers are still befuddled and seem to want to have the facts while waiting for another employer to make a move. Once that is done, and some pattern has been set, a regular bandwagon of pension plans is expected to roll.

Primary Interest Is Cost

Some employers are apparently more interested right now in costs while others seem prepared to do something about starting a program. One underwriter said the corporations want to know about costs so that they will be in a better position to talk with their unions when the latter bring up the subject.

Overall, the pension emphasis is expected to produce the largest volume of business that the pension writers have yet experienced. Perhaps the greatest impediment to pension sales is that they cost considerably more than all other welfare plan benefits combined.

An unfortunate aspect from the viewpoint of the group writers has been the attitude of unions in regard to self-administered plans. In favoring them they give the group salesmen a double task, selling the pension and selling the pension on an insured basis.

Plenty of Inquiries to Handle

For now, however, some group men say they have all the inquiries and business they can handle. Some are even screening the inquiries and taking the best of those for concentrated prospecting. "If one-fourth of the inquiries we have materialize into new business, we'll be happy," one group man said.

Another said, "I wish I could feel that all the pension talk is for the good." He was worried about the extension of social security in 1950. If that happens, and pensions are written on an envelope basis where they provide with social security benefits, a fixed amount, then next year when social security benefits are increased, the companies will be left with a bunch of piddling annuities that they can't afford to carry, he said.

Goes on 3% C.S.O. Basis

Provident Indemnity Life has modified its premium rates in accordance with the 1941 standard mortality table with interest at 3%. The company has increased its maximum age of issue of its whole life industrial policy from 60 to 70.

At Mutual Benefit Life's Dinner at Cincinnati for M.D.R.T.



At the dinner which Mutual Benefit gave in honor of the Million Dollar Round Table: Richard E. Pille, director of agencies of Mutual Benefit Life; Mrs. Ethel Gwinn, Chicago broker, second woman to qualify for life membership in the M. D. R. T.; John O. Todd, general agent of Northwestern Mutual at Chicago; Ohio National's three million dollar producers: Fred E. Kramer, Erie, Pa.; George S. Severance, Chicago, and H. R. Lindenberger, York, Pa.

"He's going to be the Town's top insurance salesman"



"For two years, I'd known George Duncan as a pleasant, competent salesman for the Aetna Life. Then one day he walked into my office brimming with new confidence. I was impressed with his clear, logical answers to questions that had stumped men years his senior. Even more impressive was the way he set up a program that stretches my dollars and gives me more peace of mind than I've known in years. He has the thoroughly professional knowledge he needs to serve his clients better.

"Yes, I'd recommend George to anyone since he attended the Aetna Life School in Hartford. He tells me he never worked so hard in his life, but it's certainly paying off—in prestige and cash.

"I know for a fact that he's in solid with more of our local business leaders than ever. And that's only the beginning. Mark my words. He's going to be the Town's top insurance salesman."

Two Career Courses for Aetna Life Salesmen

Estate Control Plan School—gives Aetna salesmen thorough mastery of the Aetna Life's exclusive Estate Control Plan and a broad understanding of the principles and techniques of life insurance salesmanship.

Advanced Life Insurance School—embraces Business Insurance, Estate Protection, and an introduction to Employee Incentive Plans with participation in sound, field-tested demonstrations of applied techniques.



AETNA LIFE INSURANCE COMPANY HARTFORD, CONNECTICUT

A. & H. Underwriters Square Up to Older Risk Problems in Forum

The pressures which America's rapidly growing old-age population are placing on insurance companies were reflected at the underwriting forum during the annual meeting of the Bureau of A. & H. Underwriters. John F. Lydon, Ocean Accident, in the lead-off role in the discussion of accident insurance only as applied to older risks, opined that far too few companies are writing these risks today and many of the larger companies who could best afford to service over-age business are not doing so.

Older age underwriting and other discussions were kept scudding by the skillful and time-conscious officiating of Merle J. Thompson, Standard Accident, who was chairman of the forum. As he put it, the older age question had been

drawn up to find out "what has been done for the forgotten man over 70." Mr. Lydon reported considerable difficulty in finding enough companies writing older risks that kept statistics on this business to find much of a mean between them. According to his report, there are several companies which establish no age barriers on applicants and treat each situation individually, the age factor just being one of many underwriting determinants. Apparently a good proportion of the companies which write older age business reduce the commissions on this business. There are others which increase the premium with the commission figured as a percentage of the increased premium rather than the basic premium for a normal aged risk.

A

Cliff McMillen Concept

Life is too short to invest in an attempt to do something that does not come naturally. Therefore, those of us in management ought never to encourage anyone to enter the insurance business unless we feel he is well adapted and will be more than a marginal producer.

Clifford L. McMillen
347 Madison Avenue
New York 17, N. Y.

No. 39 of a series — No. 38 appeared last week



The COLUMBIAN NATIONAL LIFE INSURANCE Company

BOSTON, MASSACHUSETTS

THE RIGHT PLAN

is what you find when you investigate Columbian National's personal protection program. Life... Endowment... Annuities... Accident and Sickness... Hospitalization... Group.

Built on Integrity... Growing on Service

W. E. Kipp, Indemnity of North America, the new chairman of the governing committee, testified that the experience of his company has been highly satisfactory on older applicants. He reported that some policyholders are more than 85 years old. He added that his company writes older ages only for agents who give them the rest of the casualty business. This is apparently a normal procedure among companies which establish no age limits. Once these risks are put on, they seem to be generally underwritten in the regular way.

Senator Hits Tender Spot

At this point, E. H. O'Connor, managing director of the Insurance Economics Society, rose to underscore the importance of consideration of older risks by saying that when he had appeared in Washington before the Senate subcommittee on health, one of the senators had embarrassed him by saying, "Mr. O'Connor, I carried an accident policy for a number of years on which I filed no claims and yet, when I reached a certain age, it was cancelled. I do not think this is fair." Mr. Lydon commented that it is a very bad mistake to cancel a good risk of many years' standing simply because the man has reached some arbitrary age limit. He indicated that in the case of older risks, too much emphasis is put upon profit, saying that these oldsters should be carried for public relations and social reasons wherever possible whether they bring a profit to the company or not.

It was developed that the majority of those present writing at the older ages interject the provision that the retired and unemployed oldster must be confined to his house and thus approximate total disability if he is to receive a weekly indemnity.

Opportunities Under Compulsory Law

The emphasis on and interest in situations brought about in compulsory disability states that had been exhibited earlier in the meeting at the Moraine hotel in Highland Park, Ill., was continued in the forum. Much appreciated were comments on the business building opportunities for individual and group A. & H. sales provided by compulsory disability laws delivered by Alfred B. Hvale, Continental Casualty.

Mr. Hvale said that the compulsory disability laws have done a great deal of seed sowing, educating many to the need for disability insurance without furnishing them adequate amounts of this coverage. He maintained that production by companies, both of group and individual accident and health coverages should be greater in those states where compulsory disability has been established. He commented that this has not necessarily been the case and is indicative that many of the agents and companies are not alert to the opportunities provided in this direction.

A particular interest was shown by those at the forum in Mr. Hvale's prescription for supplementing compulsory disability plans which limit payments to 13 or 26 weeks. In these cases, he said that the natural supplementary private cover is that which pays very little for the first 13 or 26 weeks and then pays adequate amounts during the following

weeks. He was asked by F. L. Templeman of Maryland Casualty, if this meant that he was advocating the franchise cover with a 13 or 26 waiting period. Mr. Hvale answered that he couldn't see why this wasn't desirable, though he admitted that there was too little experience on this business yet to see how it would work out. He envisioned a small supplementary payment to the compulsory cover during the 13 or 26 week period so that this cover would not, in formal terms, contain a 26-week waiting period.

Individual Sales Prospects

Mr. Hvale said the opportunities for sale of individual coverage to men covered by compulsory disability laws are very good and presents no special problem of coverage or any complex merchandising approach.

Those present expressed some considerable difference of opinion over whether death benefits are desirable and what limits are to be placed on them. The official sparkplug of this section, Mr. Kipp, saw merit in allowing death benefits. There were others present who, without rising to detail their cases, created the impression that they feel the death benefit should be the province of life insurance and that accident and sickness benefits, strictly speaking, should be the preoccupation of the industry. One man rose to ask how Lloyds of London is able to write jumbo A. & H. risks. There was no Lloyds man present, but there seemed general agreement that wide spread of risks enables them to take flyers at this kind of business. Here several of the underwriters reaffirmed the necessity of caution in writing a risk where it is suspected that the man has considerable other insurance.

Mr. Templeman carried out his role as a whip of the section on revised standard provisions with a masterful summary of just what these mean insofar as establishing a 31-day grace period, two and three year incontestable clauses and the right of the insured to cancel. A question which was posed was how to interpret the 31-day grace period where the company decides to terminate the policy at renewal. Mr. Templeman answered that before expiration a notice must be sent to the policyholder specifically invalidating the 31-day grace period. It was brought out that this whole procedure and, indeed, the 31-day period, are examples of life insurance influence on the A. & H. business. There was considerable testimony to the effect that in New York and where brokerage business is important, considerably more time than 31 days must be allowed the broker as a grace period as a practical matter. This is especially true in the case of casualty companies which traditionally do not deal with policyholders direct, but always through agencies.

POLICY TYPES

Testimony by O. F. Siegmund, General American Life, and Ray L. Hills, Great American Indemnity, on the advantages and disadvantages of the three prevalent types of A. & H. policies were so exhaustive as to call for little comment.

(CONTINUED ON PAGE 25)

Raymond Burke,
North American Re-
assurance; Clyde
James, Midwest Life
of Nebraska, and A.
J. McAndless, Lin-
coln National Life at
A.L.C. meeting.



Life Insurance Big Factor in Nation's Economic Progress

In spite of the new-fangled economic systems which have developed abroad, it should be now be clear that there are no short-cuts to economic progress, Leroy A. Lincoln, president of Metropolitan Life, said in his address before the Financial Section of American Life Convention.

"It should be clear," Mr. Lincoln continued, "that the only way to economic progress is through savings and their sound investment, a process which is a distinct characteristic of life insurance."

Mr. Lincoln alluded to a recent statement in which President Truman said: "To a significant extent . . . our economic strength depends upon the wisdom with which they (the life insurance companies) perform their heavy responsibilities."

These statesmanlike words of the President, Mr. Lincoln said, express the ideal toward which life insurance has aimed through the years and toward which it must at all times concentrate its every effort. The most direct way life insurance contributes to national economic strength, Mr. Lincoln added, is "by affording the means to obtain increased economic security for millions of American families."

Aided in Variety of Ways

There is a variety of ways in which life insurance investments have been aiding in the capital structure of this country, and have thus played an important role in the economic advancement of our nation. As examples, Mr. Lincoln pointed out that in the period 1921-1948 life insurance investments in railroad bonds increased from \$1.7 billion to more than \$3 billion. In the same period, he stated, investments in public utilities grew from \$160 million to \$8.7 billion. Industrial and miscellaneous bond holdings increased from \$45 million to \$7.2 billion, while preferred and common stock holdings rose from \$132 million to \$1.4 billion.

"Mortgage loans by life companies have always played an important role in the effort to provide adequate housing for the mass of the American people," Mr. Lincoln stated. In this 1921-1948 period life insurance holdings of real estate mortgages increased from about \$2.8 billion to \$10.9 billion. In the period 1920-1946, loans on single-family dwellings were the most common, with loans of less than \$10,000 accounting for about 85 per cent of the number of all mortgage loans made.

Mr. Lincoln termed direct loans by life companies a "natural development," and observed that they had been making real estate mortgage loans directly from the beginning and that there is no fundamental difference between such loans and direct business loans.

Advantages in Direct Loans

There are very great advantages both to lender and borrower in direct loans, Mr. Lincoln stated, pointing out that they can be tailored to meet the needs of both borrower and lender; that they are flexible because proper, mutually-desirable changes in indenture provisions can be more readily made; and that resulting economies in handling frequently mean higher returns for the insurance companies and lower interest costs for the borrower.

Mr. Lincoln also referred to the investment experience of the 18 largest life companies in bonds and stocks during the period 1920-1947 as shown by the results of a study of Life Insurance Assn. of America. Despite the down trend of interest rates and the large volume of low-yielding government bonds acquired in recent years, Mr. Lincoln stated, this study demonstrated the outstanding investment job that the insurance business has been doing.

Karatz' 1934 Insurance Swindle Is Recalled

The mistrial in the fraud trial of Preston Tucker, Chicago automobile manufacturer, due to one of the witnesses mentioning the criminal record of Abraham Karatz, co-defendant with Tucker, recalls Karatz's brief association with the life insurance business in November, 1934, in the Abraham Lincoln Life scandal.

Karatz, a lawyer of St. Paul and Chicago, was named by Otto Van Derck, clerk in Amalgamated Trust & Savings Bank, a Chicago labor institution, as being one of the principals in a swindling deal to buy Abraham Lincoln Life. Through the aid of Van Derck the conspirators got \$25,000 on an overdraft from Amalgamated bank to use as the down payment on the life company, the total purchase price being \$400,000. It was planned to obtain another \$25,000 from the assets of the company itself but that plan fell through.

A feature of the deal was that good securities of Abraham Lincoln Life were to be exchanged for stolen securities obtained through criminals at low prices. The expose resulted in the suicide of H. B. Hill, Abraham Lincoln's founder and president, and the reinsuring of the company by Illinois Bankers Life.

Previously Abraham Lincoln had reinsured Springfield Life.

New England Mutual "Ads" Feature Living Insurance

In the Oct. 15 issue of Saturday Evening Post, New England Mutual Life will launch the first of a notable new series of national advertisements in full color. While carrying on the company's effective "All Things Change" theme, these advertisements will use a pictorial approach that is entirely novel in life insurance advertising.

Captioned "The Tale That Autumn Tells," the first illustration, which dominates the page, shows a lovely New England countryside cloaked in all the glorious colors that autumn foliage displays. Text points out that "all things living change," and that the changing seasons bring changing family needs which are best met by "Living Insurance."

Color reprints of the illustration only, without advertising, are being offered to anyone who writes the home office.

A separate campaign of black and white "ads" has already started in Time and Newsweek, employing the "Living

Insurance" theme. These will stress that a modern, flexible life insurance contract not only takes care of one's beneficiaries, but also affords benefits which are available to the insured himself during his own lifetime.

New England Mutual will continue its 8-year-old program in some 40 college alumni magazines, listing the names and addresses of company agents who have attended the various institutions. More than 20 insurance journals will carry still another series of advertisements describing various services which make New England Mutual a "good company to do business with and to work for."

No NSL Dividends Before Xmas

WASHINGTON—The veterans administration denies a recent wire service story that payment of the national service life dividend might begin before Christmas.

Harold W. Breining, assistant administrator for insurance, said "We are even working overtime in an effort to get these dividend checks to the veterans entitled to them according to our present schedule which calls for the first checks to be dispatched some time around the middle of January."

Speed-Merchant...

Mercury, speedy messenger of the Gods, would be run ragged trying to deliver The Prudential message to the millions of people that the Company's advertising program reaches.

Two coast-to-coast radio broadcasts—the Jack Berch Show every Monday through Friday, The Prudential Family Hour of Stars every Sunday—enter 9,000,000 homes a week the country over. Full page advertisements appear in leading national magazines whose combined monthly circulation totals over 24,000,000 persons.

Prudential Representatives and Brokers find that this consistent, week-in and week-out advertising smooths their way because the Company and the services of its representatives are known—and accepted.



THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

a mutual life insurance company

HOME OFFICE, NEWARK, N. J. WESTERN HOME OFFICE, LOS ANGELES, CALIF.

NLRB OKs UOPWA Non-Red Oath in Metropolitan Case

WASHINGTON—The national labor relations board has certified that United Office & Professional Workers of America, CIO, has been selected by a majority of agents of Metropolitan Life in units found appropriate by the board, as their representative for collective bargaining purposes. These units are the New York metropolitan area and New Jersey.

The board overruled objections of the company, according to the board's certification, that UOPWA "through a 'paper' change of its constitution, had effected apparent 'technical' compliance with section 9(h) of the act, but that because leaders who control the organization and formulate its policies under new titles have not filed affidavits, compliance, in fact, has not been effectuated." The section involves non-Communist affidavits.

The company's affidavit further stated, according to the board, that changes in the UOPWA constitution were not made in accordance with requirements of that constitution, relating to amendments.

For Board to Decide

The board held that compliance of a labor organization with filing requirements of the act "is an administrative matter to be determined by the board." It adopted the findings and recommendations of the regional director in this case.

However, the board found that tallies in the elections among Metropolitan Life agents in two units—Ohio and Rhode Island—were "indeterminate". It therefore deferred further action in those

two cases pending final action by its regional office.

In the Ohio case UOPWA received 350 votes, International Union of Life Insurance Agents 157, while 278 votes were cast against participating labor organizations.

In the Rhode Island case, UOPWA received 70 votes, National Federation of Insurance Agents Council, AFL, received 29, while 73 votes were cast against participating labor organizations.

Cal. Labor Boycotts UCD Private Plans

SAN FRANCISCO—California Federation of Labor, AFL, has announced a boycott against all private insurance companies writing UCD business in retaliation for the opposition presented by some companies and groups to the organization's legislative program.

It is calling upon all affiliated unions to instruct or urge members not to accept the voluntary plans presented by private carriers but to insist that the employer leave the business with the state fund, despite the fact that the voluntary plans must provide greater benefits than the state for the same cost.

Almost at the same time the organized building industry employers announced a plan to practically boycott the California state compensation fund. The builders state association is advising all its members that their workmen's compensation should be placed with private companies. It claims the state fund is operating beyond its original scope and purposes and lacks the service of the private companies. The builders also say that the fund is detrimental to all private enterprise.

A C.L.U. study course has been organized at the University of North Carolina.

LIAMA Improves Persistency Raters

L.I.A.M.A. has released to member companies two improved devices for predicting the persistency of adult ordinary policies. One is for the use of ordinary agents in scoring business, male, male student, and female applicants being treated separately. The other, with similar classifications, is for ordinary policies sold by combination agents.

The persistency raters are based on experience with 5,000 policies sold by ordinary agents and 3,900 sold by combination agents. They were designed to replace the persistency rating chart widely used by L.I.A.M.A. companies since 1934. They are demonstrably more accurate.

Among more significant changes are a reweighting to give more favorable persistency rating to applicants at the lower income level; development of separate rating procedures for policies sold to women; and simplification of the mechanics of obtaining a rating.

Lower Income Groups Persistent

It was found that some of those in the lower age and income groups persist well and it is the business's responsibility to them and to the agents for whom they are a normal market to encourage their coverage, according to the report on "The Persistency Raters, 1949."

The new raters are believed valuable not only in predicting persistency, but in helping the new and particularly young agent to identify those in his natural markets who may be expected to maintain a reasonable persistency level. The main purpose was to find ways of detecting those who persist despite low incomes and this aim was fulfilled much better than had been hoped.

Factors Are Interrelated

Another outstanding characteristic of the new raters is the recognition that the factors affecting persistency are themselves interrelated. For example, the age of the applicant is related to persistency only at certain income levels with certain premium payment frequencies.

Separate rating procedures for women resulted from studies indicating that women surpass men in persistency by a wide margin. Another reason is that the persistency of women is much less sensitive to the effect of other factors which are substantially weighted in the raters for sales to men. Because of the uniformly high persistency of business sold on juvenile lives, no rater has been designed for these policies.

Most of the computational demands have been removed from the new raters. To obtain a rating, an agent must have data on seven factors in the case of a male applicant: income, mode of premium payment, age, medical basis of application, previous ownership of insurance, type of policy and applicant's occupation.

These factors are combined numerically, according to instructions given on each form; the score obtained is then converted to a descriptive rating.

The raters are primarily training devices. They are also an important means for studying an agent's prospecting and selling habits.

Honor Home Life's New Manager at Memphis

Howard C. Spencer, vice-president of Home Life of New York, and Eugene C. Kelly, manager of agencies, were at Memphis for the formal opening of the company's Memphis agency, in the Exchange building.

Some 30 Memphis insurance men and civic and business leaders attended a luncheon in honor of Theron M. Lemly, manager of the new agency. Mr. Lemly was formerly acting manager of the Atlanta agency of Home Life.

Johnson Stresses Pioneer Work of the Debit Man

H. Clay Evans Johnson, president of Interstate Life & Accident, speaking at



H. C. E. Johnson

at the Thursday morning session of the American Life Convention meeting, declared that one of the greatest jobs for the life insurance industry is to see to it that representatives of every company better understand weekly premium life insurance.

This field, he said, has been completely neglected with the exception of work being done by the public relations committee of Life Insurers Conference assisted by the Institute of Life Insurance.

As individual companies operating in a competitive field, the common objective of industrial, combination and ordinary life companies is the same, he said.

At the beginning of 1948, 76% of the spending units in America had an annual income of \$4,000 or less. The loss of income caused by death, or even expenses incurred by death, would be a tremendous blow to these families unless they could afford life insurance protection. Yet, most of the families are not able to dip into even a small reservoir of liquid assets to pay life insurance premiums.

Proves Need for Weekly Premium

Mr. Johnson pointed out that this proves a definite need for a weekly premium insurance. Of the 78 million life insurance policyholders, approximately 55 million own weekly premium insurance, or better than two out of three. In spite of the fact that the average size weekly premium death benefit is small, for every \$4 or ordinary in force, there is \$1 of weekly premium. The \$1 of weekly premium protection means more, Mr. Johnson opined, to the average industrial policyholder than the \$4 means to the average ordinary policyholder.

Industrial companies are doing a good job and are constantly endeavoring to do a better one, he declared. This is evidenced by the fact that today there is practically no difference between ordinary and weekly premium policies.

Mr. Johnson observed that many people have a misconception of cost factors on weekly premium business. The New York department has stated that costs are not excessive in view of the services rendered, and Mr. Johnson added that the economies and efficient methods devised for handling this business have brought the net cost amazingly close to the cost of ordinary despite the numerous risk and service factors which tend to make it more expensive.

The debit man has made a great contribution as an educator of thrift in homes where savings previously were unknown and could not be possible but for the kind of service characteristic of the weekly premium business, he said. Ordinary agents realize the benefits of these teachings more often than they are aware.

Drop Direct Housing Loan Plan

Plans for passing the Sparkman-Spence housing bill have apparently been dropped in Washington thereby doing away with the present possibilities of the federal government going into the mortgage loan business to stimulate housing construction. Democratic leaders, it is understood, plan to bring up the bill again around March 1, 1950, and may try to get it through during the next session of Congress. Life companies and banks opposed the bill at hearings held last summer.

Reinsurance

Since January 1, 1916, we have watched daily what happened in A & H. The experience and lore of this line is stored in our files, and tapped constantly by our treatyholders—a real underwriting asset in daily practice.

Employers Reinsurance Corporation

KANSAS CITY

NEW YORK

CHICAGO

SAN FRANCISCO

LOS ANGELES

Bill Would Freeze Company Income Tax Factor at 92%

McAndless Committee Opposes It; Offers More Equitable Plan

WASHINGTON—Chairman Doughton of the House ways and means committee has introduced a joint resolution (H.J. Res. 371) setting the figure for the "Secretary's ratio" in the computation of life company federal income tax at 92% for the years 1948 and 1949. The resolution is to implement the recommendation which the Treasury made in August.

If the resolution is adopted it would mean that companies would be required to file a new return on the amended basis for 1948 by the 15th day of the third month following the resolution's adoption.

COMPANIES OFFER PLAN

NEW YORK—Revision of the formula for determining the federal income taxes payable by life companies on 1949 operations that will produce tax revenues of \$38 million and at the same time be fair to policyholders has been proposed to the Secretary of Treasury and the House ways and means committee by A. J. McAndless, president of Lincoln National and chairman of the joint committee of the American Life Convention and the Life Insurance Assn. of America on federal income taxation of life companies. The announcement followed the introduction of H.J. Res. 371 in Congress.

The proposal of the business has been submitted as an alternative to the suggestion of Secretary Snyder embodied in the resolution that the ratio under the existing formula in the 1942 internal revenue act be frozen to produce approximately the same amount.

Secretary Snyder's stop-gap suggestion is opposed on the ground that it bears no necessary relation to the policy reserve requirements of the companies and hence violates the fundamental concept that interest required to maintain policyholder reserves is properly deductible in computing the tax liability of life companies.

Asked for Suggestions

The committee developed the proposal at meetings of the governing bodies of both organizations to which the full membership was invited to express views. The proposal follows more than two years of deliberation and consultation with federal officials.

The committee was named in 1947 when it became apparent that due to decline in interest earnings life companies would not be called upon to pay any income tax under the 1942 formula. That formula produced tax revenues of close to \$35 million in 1943 but at that time representatives of the business had pointed out that a decline in interest earnings would tend to reduce the amount of taxes it would produce.

The proposal of the companies, by relating the formula to average valuation rate rather than the reserve earnings rate and treating individual company ratios in excess of 100% as though the rates were 100%, is designed to cure the defect in the present formula. It recognizes as does the 1942 act that the interest additions required by law to company reserves are properly deductible for tax purposes since they are not free income and therefore not properly taxable as income.

The position of the companies is that

they recognize the responsibility for paying a fair and equitable income, as evidenced by the appointment of the committee more than two years ago to work out a satisfactory basis of taxation of the companies.

They believe that the principle embodied in the 1942 act of applying the regular corporation taxes to investment income over and above the amount required by law to be added to policy reserves on an industry wide basis is sound. They admit the defect in the existing formula and are seeking ways to correct it. While some companies were ready earlier this year to agree to an adjustment of 1948 taxes if promptly undertaken there is a wide difference of opinion among the companies on this point today. The position of some companies is that to legislate taxes on 1948 income at this time in 1949 would constitute retroactive taxation and set a dangerous precedent not only for life companies and their policyholders but for other taxpayers as well.

U. of Illinois Managers' Institute Set for Feb. 13

Dates for the second annual institute of life insurance management of the University of Illinois have been set by Dr. E. P. Strong, director of the university's business management services division, for Feb. 13-16. Held at Galesburg last February, the institute will be conducted at Urbana in 1950. Discussion leaders will be drawn from among men active in life insurance field management.

Subject for the second institute will be, "Recruiting in the New Decade." The program will be broken down into discussions of finding the recruit, selecting the recruit, and selling the recruit, with a special section devoted to recruiting techniques for combination companies.

The breakdown of the institute program was worked out after extensive correspondence and personal discussion with 200 active field-management men, according to R. W. Osler, Rough Notes, institute chairman. It is intended to discuss subjects which those contacted felt would be of greatest value and interest to practical insurance managers.

The institute will be conducted largely on the seminar discussion basis. Evening sessions will be in the form of panel discussions.

Badger Speaks at Baltimore

Sherwin C. Badger, second vice-president of New England Mutual Life, will address the Bond Club of Baltimore Oct. 11, on "Equity Investments and Life Insurance."

Freel to Eberle Co.

C. Fred Freel has been appointed manager of the life and A. & H. departments for the William Eberle Co. at Oklahoma City. He previously was vice-president and director of agents for Standard Life & Accident in that city.

Manhattan G.A.s

Earle G. Rowley and Clifton Murdock, whose appointments as Manhattan



Earle G. Rowley



Clifton Murdock

Life's general agents at Grand Rapids and Portland, Ore., respectively, reported in last week's issue, are shown above.

FIDDLES AND LIFE INSURANCE...

The Shield Men who represent this Company in the field enjoy a unique advantage

Working for and with them, every Saturday night the year round, is "The Grand Ole Opry", America's favorite folk music program, now nearing the end of its 24th consecutive year on the air from our radio station, WSM.

One of the oldest programs in radio, "The Grand Ole Opry"—part of which is carried on the NBC network every week—is heard by millions of listeners every Saturday night, and has made countless friends for our field men.

The
**NATIONAL LIFE
AND ACCIDENT
Insurance Company, Inc.**



Pension Problems Main Topic at Personnel Meeting

NEW YORK — Pension problems were a major topic at the personnel conference of the American Management Assn. here. The issue was so "hot" at the time of the meeting that substitutes appeared for the chairman and three of the panel of four announced participants in a discussion. Among those unable to appear were John S. Bugas, vice-president of industrial relations of the Ford Motor Co., the chairman; P. D. Bradley, consulting economist of Cambridge, Mass., who was assisting Mr. Bugas in the recently concluded Ford talks with the United Automobile Workers, and W. G. Caples, Inland Steel, and Murray Latimer, welfare consultant to the United Steelworkers of America, were also in the midst of negotiations.

Substituting for them were Merlyn S. Pitzele, labor editor of Business Week, Abner Brodie, University of Wisconsin; E. H. Van Delden, industrial relations manager of the Libby-Owens-Ford Glass Co.; Burton A. Zorn, New York lawyer, and Harry Kranz, legislative di-

rector of the New Jersey C.I.O. council, one of the original panel members.

Senator Douglas of Illinois opened the meeting by urging management to help in the broadening of social security legislation. If management favors contributory pension plans, the federal system is superior to private plans, he said, for it avoids the complicated task of shifting the equities of employees when they change places of employment. He said it is regrettable that social security taxes are not now at the 3% level at which they were scheduled to be when social security legislation was passed 14 years ago. He said he opposed present legislation for compulsory insurance but he said doctors must come up with some solution to the problems of the average person in meeting and handling the catastrophe illness.

Mr. Van Delden urged the personnel men not to hasten into bargaining on pensions. It is too complex, he said. A committee should be set up by management and the union to study the problem first. Steel workers will have difficulty getting \$100 a month on the six cents an hour, he said, including social security. "Ask an insurance company how much \$120 a year will amount to in pensions," he suggested. If employers must bargain with unions they should agree on the amount to be paid into the pension fund by the employer, not on the benefits. Inevitably, employers will have to pay more than they expected to pay if they agree on benefits, he said.

The Union Viewpoint

Mr. Kranz said unions want all employees in a plant to be covered, want a flexible retirement age, non-contributory funding, and joint administration of pension funds with management. Pensions are granted in lieu of wage increases, he said. Old workers cannot be eliminated from the discussions, nor should there be any earnings qualification in plans. The lowest paid employees are least able to save for their old age. He said unions want non-contributory funding because there is no reduction in take-home pay, and because there is no deciding by the worker as to whether or not he will be covered.

He added that unions will also continue to push for higher federal social security benefits. The costs of some pension plans might be cut by 20% or 25% if some employees are allowed to work on past 65, he said.

Mr. Zorn noted that it would be much more difficult for employers to stop contributory plans, than non-contributory plans in hard times.

Mr. Kranz explained his tax savings statements on non-contributory plans, stating that if the lowest tax rate of 19% were assumed, employee contributions would only be worth 81 cents on the dollar. Secondly if the employee contributed and had a vested interest in the plan, one third of the 81 cents would go into the refund benefit, leaving only 54 cents for retirement. If the contributions come direct from employer they count 100% on the dollar, he said.

Mr. Zorn noted that the non-contributory idea of welfare benefits can be carried too far. He said that eventually employers might be asked to pay for the education of employees' children, etc. A limit has to be set, he said.

Cleveland C.L.U. Classes

With an enrollment of 20 for each of two classes, Chartered Life Underwriters courses have resumed at Cleveland college of Western Reserve University. Earle Brailey, New England Mutual, and James M. Whitsett, professor of banking and finance at the college, are lecturers.

Insurers Buy Coal Corp. Bonds

Clinchfield Coal Corp., Dante, Va., has issued a \$4,800,000 of first mortgage 12-year sinking fund 4 3/4% bonds, of which Mutual Life purchased \$2 million, John Hancock, \$1,650,000; New England Mutual, \$650,000, and State Mutual \$500,000.

Paul Clark to Address L.I.A.M.A. Quebec Meeting

President Paul F. Clark of John Hancock will deliver one of the principal addresses at the L.I.A.M.A. meeting Nov. 9-11 at Chateau Frontenac, Quebec. It is the first L.I.A.M.A. meeting to be held in Canada since 1941. The complete program will be announced shortly.

George Dunbar, superintendent of agencies of Mutual Life of Canada, and president of L.I.A.M.A., will speak on current agency management development. One of the program features will be a session devoted to L.I.A.M.A.'s research work, participants being Dr. S. Rains Wallace, director of research; H. Fred Monley, assistant director company relations division; Charles J. Zimmerman, associate managing director.

Gavels will be presented to all living chairmen of the executive committees and boards of directors of the Life Insurance Sales Research Bureau, predecessor of L.I.A.M.A. John Marshall Holcombe, Jr., who has headed the organization since its founding 27 years ago, will present the gavels.

The first two days will be devoted to meetings of the 20 committees and the board of directors.

Ponder the Many Impacts of Washington on Insurance Operations

WASHINGTON—The U. S. Chamber of Commerce insurance department was host at a luncheon to representatives of a number of insurance associations and interests, plus correspondents of the insurance trade press. A. L. Kirkpatrick, department manager, presided.

An exchange of views developed matters of interest to all those present, with respect to government activities concerning insurance.

First, as a regulator through the Department of Justice, federal trade commission, post-office with respect to use of the mails, and Treasury Department approval of the list of surety companies.

Also as a buyer or premium payer under purchase contracts through the war and navy departments, atomic energy commission, ECA, federal housing administration, and HOLC and other agencies.

Also as an underwriting competitor of the industry, through National Service Life, social security, federal crop insurance, and commodity credit corporation.

Also as a competitor in money lending through RFC, Commodity Credit, Federal National Mortgage Administration, and federal reserve banks.

As a regulator of currency and controller of the value of the dollar in which insurance deals, as Mr. Kirkpatrick expressed it, through devaluation of gold, deficit spending and inflation.

Finally through taxation of insurance companies, agents proceeds, pensions, annuities, etc., the latest example of which is the Treasury Department's "interim" proposal to freeze the ratio of the company reserves with relation to investment income at 92% for last year and this year, for income tax purposes.

The above activities take no account of federal deposit insurance, unemployment compensation, and possibly other federal angles.

Opinions expressed at the luncheon appeared to favor the U. S. Chamber as a channel for inquiries and information representing government activities touching the industry.

Those attending the luncheon were: Maurice Herndon, Washington representative National Assn. of Insurance Agents; Howard M. Starling, Washing-

ton representative Assn. of Casualty & Surety Companies; Philip L. Baldwin, executive secretary National Assn. of Mutual Insurance Agents; Ray Leiffen, representative American Institute of Marine Underwriters; Edward J. Schmuck, general counsel Acacia Mutual Life; Henry Hallam, Correspondent of THE NATIONAL UNDERWRITER; Edward Groome, correspondent "Journal of Commerce"; Al Goldsmith, correspondent "Weekly Underwriter"; Harry F. Perlet, assistant manager insurance department U. S. Chamber of Commerce, and Eleanor Smithson, secretary to Mr. Kirkpatrick and president of Insurance Women's Club.

N.A.I.C. to Fill Lesser Security Valuation Posts

A National Assn. of Insurance Commissioners subcommittee on valuation of securities will meet Oct. 20 to interview applicants for positions on the staff of the newly expanded permanent office. Several groups have been operating for some time screening out applicants for the positions. The subcommittee will interview those applicants recommended by the screening committees.

Appointment to the \$20,000 top job will not be made until later but the lesser positions are expected to be filled soon to enable the committee to take on its additional duties. Preparations are being made for the closing of a lease for additional space to house the enlarged committee.



THE THIRD R IN OUR NAME

For 35 years our customers have been referring to us as "R & R" ... so it is only natural that these two Rs have become our trademark.

Of course the letter R could stand for many things; things like reward, rhetoric and rhapsody; or reflective, regular and related. Could be ready, recognition and reputation, too.

But our third R stands for none of these—directly.

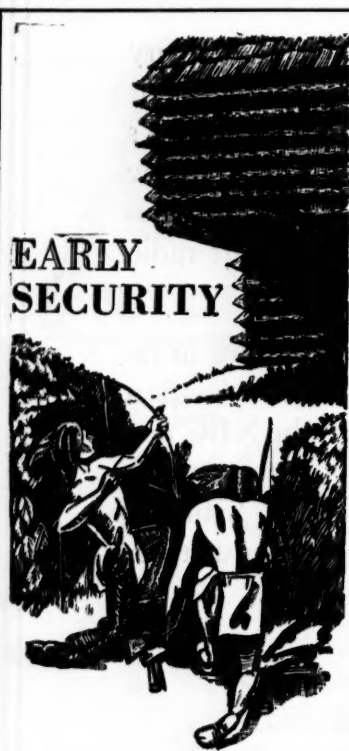
To us, it means *results*—and the word "results" is, in many ways, the most important word we know. For "results" is the major yardstick of effectiveness.

IF YOU ARE HAVING DIFFICULTY OBTAINING THE SALES OR SALES TRAINING OR AGENCY PRODUCTION RESULTS YOU WANT, DROP US A LINE TODAY. CHANCES ARE WE CAN BE HELPFUL.



PAUL SPEICHER
President

THE INSURANCE
RESEARCH & REVIEW SERVICE
INDIANAPOLIS



MODERN SECURITY

"Give it the gun" is a modern expression. Your great grandfather wouldn't have understood it in his day.

He didn't understand about disability insurance either. We do today. Make sure your clients do, also. They need it.

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Security Mutual
Life Insurance Company

INCORPORATED 1886

Binghamton, New York

Frederick D. Russell, President

Anti-Trust Group Slates Insurance Witnesses

WASHINGTON—The House judiciary anti-trust subcommittee will probably hear insurance industry representatives and others on insurance company investment policies about the end of November or early December, committee staff members say.

Among witnesses listed to appear about that time are Carrol Shanks, president Prudential; William Montgomery, president Acacia; and Emil Schram, president of the New York Stock Exchange. Mr. Schram will discuss insurance investment matters, according to committee sources.

The committee plans to take up first at a new series of hearings to begin Oct. 25 specific subjects for possible legislation, such as anti-trust law penalties, civil damages, procedures; patent laws, government procurement, taxation, and certain laws granting exemption from the anti-trust laws.

Late in November and in December the committee agenda calls for testimony on problems of economic concentration. Item 4 in that list is "concentration of investment funds in insurance companies and investment houses," and "extent, effects, possibilities of limitations on size and interlocking."

Other items included in the general problem of concentration scheduled for hearing are "interlocking and interrelationships. Present extent of controls, suggestions for legislation. Concentration of corporate savings. Effects on smaller enterprises . . . Horizontal, vertical and conglomerate concentrations . . . question of size and power; effects, controls."

It is reported in insurance circles that Chairman Celler hopes to show small companies can operate successfully in competition with large companies. Observers theorize he would use such testimony as argument against big companies.

However, they say if small companies can complete successfully with big ones, why worry about the latter?

Huber Forum Oct. 26

Designed to cement relations with the legal, accounting and fiduciary fields, the annual estate planners' forum of the Solomon Huber agency of Mutual Benefit Life will be held Oct. 26 in New York City. Attendance is restricted to attorneys, accountants and trust officers and is part of the agency public relations program. Each year recognized authorities present topics of interest in the field of property planning. Buy-and-sell agreements will occupy the spotlight this year.

The panel will include William J. Casey, chairman of the Research Institute of America board of editors; Albert Hirst, counsel New York State Life Underwriters' Assn.; Theodore Ness, tax attorney; Bernard Spiesman, consultant to tax publishers; Milton Young, chairman, tax planning clinic of the Practising Law Institute and member of the New York University law school faculty; and Stuart Monroe, associate general agent.

Cincinnati Regional Oct. 31

The first of the series of regional meetings planned by H. & A. Underwriters Conference has been scheduled for Oct. 31 at the Hotel Gibson, Cincinnati.

D. Easley Waggoner, president of United Fidelity Life of Dallas, is ill. American Life Convention at its recent meeting sent him a telegram of sympathy and expressing regret at his absence.

BMA Breakfasters Hear Tale of Four Premium Mules

How a couple of agents back in the horse-and-buggy days of life insurance selling in Kansas got involved with a quartet of mules was recounted by Judd C. Benson, Union Central, Cincinnati, newly elected president of National Assn. of Life Underwriters, at the breakfast during the American Life Convention at which Chairman W. T. Grant Business Men's Assurance is traditionally host.

Mr. Benson, the guest of honor, related how he and another agent, both at that time connected with the A. M. ("Pick") Embury agency of Equitable Society, sold a farmer a \$10,000 20-payment life policy. The farmer was a willing buyer but there was no cash. However, he had a herd of mules and it was agreed to take four mules for the first premium.

The mules had to have halters, which were brought from the farmer for \$10, this being the only cash that changed hands in the transaction.

The commission being 50%, the agents got two mules as their commission, leaving two for the company. The agency cashier was a stickler for formality and was naturally somewhat upset to get this telegram from Mr. Benson and his co-worker: "Have taken four mules as first premium. What shall we do with Equitable's two?"

Besides Mr. Grant, the B.M.A. home office was represented at the breakfast by J. C. Higdon, president; Grant Torrance, vice-president and treasurer; and W. D. Grant, reinsurance secretary. In addition to Mr. Benson, Mr. Grant introduced a number of other guests.

Burford in Continental Post

LOS ANGELES—Harry L. Burford of Los Angeles, vice-president of California Agencies, Inc., has been elected to succeed the late president of the two companies, C. A. Teasdale, and H. R. Mann, vice-president, has been named to the board of directors. In other changes in the companies, Walter L. Dawes, vice-president, has resigned, with the vacancy left open; Gerald F. McKenna, manager of life, accident and health departments, who resigned, has been succeeded by Mr. Cannon, and Frank Nelson has been transferred from the Los Angeles office to San Francisco as manager of the marine department. William Lamborn has been named special agent in the inland marine and fire department of the Los Angeles office, and William Burke, formerly with Rathbone, King & Seeley, is now assistant to the casualty manager at San Francisco.

A familiar figure that was missing at the American Life Convention banquet at the Edgewater Beach hotel, Chicago, last week was D. E. Ball, president of Columbus Mutual Life. His absence was remarkable because he had been at the business meetings throughout the week and there were four members of his family at the banquet. The explanation was that Mr. Ball was engaged in baby sitting that evening at Wilmette, Ill., at the home of his daughter, Mrs. Howard Davies, keeping the vigil with granddaughters Dianne, aged 10; Janet, 8 and Judith 3.

Mrs. Ball was at the banquet with Mrs. Davies and her sons, Barnitz G. Ball, who is treasurer of Columbus Mutual, and D. E. Ball, Jr., who is with the investment department of that company. Also in their group was Carl Mitchell, vice-president and secretary of Columbus Mutual, and Mrs. Mitchell.

Will H. Froehlich, for 3½ years a producer in the Frank DuBose agency at Milwaukee of Old Line Life, has been named supervisor.

Howland Leaves Conference Post

Billedward Howland, since 1944 statistician of H. & A. Underwriters Conference, has resigned, effective Nov. 1, to join Mutual Implement & Hardware of Owatonna, Minn., as manager of its group A. & H. department. The company is just entering that field and Mr. Howland will have charge of setting up the new department as well as its future operation. He has been particularly active in the research work conducted by the conference in connection with group,

franchise and medical insurance and underwriting matters in general.

Before joining the conference, Mr. Howland had been in A. & H. work at the home offices of Aetna Life and Fidelity & Casualty and with the latter company at Philadelphia. He is a son of W. H. Howland, who retired in 1944 as manager of the A. & H. department of General Accident after 25 years in that post.

His successor with the conference has not yet been selected.

Alfred Kroner, manager of the Rockville Centre, district of Prudential in New York, marked his 25th year with the company.

with
\$100,000
fingers
—this man's
a *Specialist*
in touchdowns!



Today's football calls for
specialists in every department
of the game.

Your prospective clients look for skill and knowledge in a life insurance representative. They get just that in a Protective Life underwriter.

PROTECTIVE LIFE is a real career

Our Compensation Plan—Includes liberal first-year and renewal commissions, vested renewals, life-time service commissions, non-contributory retirement plan, group life insurance, hospitalization and surgical benefits, and a SPECIAL CASH BONUS FOR PERSISTENCY.

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A Complete Line of Policy Contracts

Personal Relationship—Agency operations are exceptionally flexible so that we can do things the way you want them done.

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Write Today for Information

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INSURANCE COMPANY
William J. Rushon, President
BIRMINGHAM ALABAMA

Serving the South Since 1907. Insurance in force over \$349 million.

Northern, Seattle, Holds Convention

By writing more than \$1 million in life insurance, Russell H. Goodwin of Seattle won the presidency of the Northern Life of Seattle's Tower Club and presided at one of the business sessions of the conventions held at Sun Valley, Ida. Other Club officials, who earned their positions by outstanding production, were Manley E. Sweazey, 1st vice-president of the Arctic branch, and Floyd E. Fowler, 2nd vice-president of Portland, Ore.

About 200 attended including the following home office officials: D. M. Morgan, president; Irving Morgan, executive vice-president; H. O. Fishback, Jr., vice-president; O. D. Sanford, assistant vice-president; G. R. Overton,

assistant vice-president; Paul McCarty, home office representative; W. L. Miller, supervisor group and salary savings department; and J. S. Bentley, secretary of agencies.

President Morgan in his address of welcome discussed the trend toward a welfare state through compulsory insurance, increasing government controls and deficit spending. He said he believed that the American people will eventually realize that through such controls and government spending they are losing their liberty and independence.

The theme was of the meeting was selling techniques.

Richard W. Fairbanks, who was associate general agent in the James F. MacGrath agency of U. S. Life in New York City, has joined Aetna Life as an A. & H. producer in the midtown office. He went with the MacGrath agency last year.

58.7% of Pension Plans Contributory

NEW YORK—The National Industrial Conference Board has just completed a survey of 255 recently adopted pension plans and found that 58.7% are contributory. The plans were new or revised since October, 1945, and only those applicable to all workers were included. Approximately 1,500,000 employees are represented by the 255 insured.

Group annuity plans are contributory in 75.1% of the cases, while self-administered trustee plans on an actuarial basis and providing for an irrevocable trust are 52.5% non-contributory. The only industrial classification in which non-contributory plans outnumber contributory is in wholesale and retail establishments, and non-contributory plans outweigh contributory in non-manufacturing, 43.7%, compared with 40% for manufacturing.

The pension survey shows 129 companies with group annuities, 75.1% of which were contributory; 99 companies with pension trusts, 47.5% of which were contributory, 19 non-funded plans, 5.3% of which were contributory and 94.7% non-contributory, and eight miscellaneous plans, 62.5% of which were contributory. The latter include three individual policy plans and three group permanent policies.

St. Louis Mutual Owners O.K. Reinsurance Proposal

ST. LOUIS — Policyholders and stockholders of St. Louis Mutual Life at their special meeting here unanimously approved proposal that the company submit plans for a reinsurance merger with Postal Life & Casualty of Kansas City to the Missouri department for official approval.

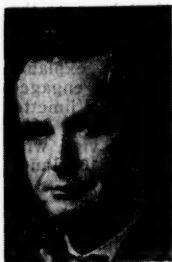
The meeting voted to petition Superintendent Jackson to call a special hearing by a board of commissioners from interested states to pass on the proposed reinsurance plan. It gave full approval to the actions previously taken by the directors. It is understood here that Postal Life & Casualty will hold a special meeting at Kansas City Thursday to pass on the merger arrangement.

Publish U. of Ill. Proceedings

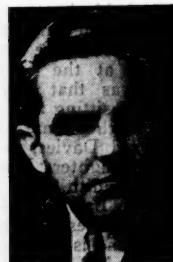
Proceedings of the second annual advanced underwriting clinic of the University of Illinois, held in Urbana Aug. 9-12, have recently been published by the school's business management services division. Subject of the clinic was business insurance.

Take Group Posts

The most recent move in the expansion of the Massachusetts Mutual group insurance staff was the appointment of



R. A. McHugh



J. D. Cannon

Robert A. McHugh as Pacific Coast group regional manager at Los Angeles and J. Donald Cannon to the new post of group supervisor at Pittsburgh. Mr. McHugh has been group manager for Pacific Mutual Life at Los Angeles for six years. Mr. Cannon was formerly with Equitable Society at Pittsburgh.

Dudley Chairman, Young Secretary of Combination Section

Guilford Dudley, Jr., vice-president of Life & Casualty, was advanced from secretary to chairman of the Combination Companies Section of the American Life Convention at the section's annual dinner.



G. Dudley, Jr.

Malcolm C. Young, 2nd vice-president of John Hancock, was elected secretary. Mr. Dudley joined Life & Casualty in 1930 and is now head of its ordinary department. He is a graduate of Vanderbilt University, served as a lieutenant-commander of naval aviation in the second war, and was chairman of the combination companies section of L.I.A.M.A. in 1948-49. His hobby is breeding and training horses for jumping and flat races. He sometimes rides his own entries.

Speaker at the dinner was Holgar J. Johnson, president of the Institute of Life Insurance, who gave an informal talk on public relations.

John F. Ruehlmann, vice-president of Western & Southern, presided as chairman of the Combination Companies Section.

Colo. Insurer Projected to Insure Borrowers

Colorado Credit Life is in process of being organized at Boulder to provide life and accident and health insurance on the lives of borrowers, assuring repayment of the loan in case of accident, sickness or death. Raymond F. Grohne is president; Allen J. Lefferdink, chairman; Jack O. Robinson, vice-president; Horace B. Holmes, secretary and James S. Rice, treasurer and general manager. It will start off with \$100,000 capital and net surplus of an equal amount, with \$40,000 of this being offered to the public and shares being sold for \$2. The company expects to start operating by the first of the year.

Colorado Credit Life will reinsure 100% of its business at the outset. J. H. Silversmith, Inc., the well known managing general agency at Denver for fire and casualty business, will handle the business for the new company in Colorado, New Mexico and Wyoming. Head offices will be at Boulder and when the necessity arises, an addition will be built to the Allen Enterprises Block to provide additional space.

Mr. Grohne has been owner and operator of laundries at Springfield, Mo., and Boulder; he has also been an insurance salesman and was with Retail Credit Co. Mr. Lefferdink will serve in an advisory capacity. He is a C.L.U. and has been in life insurance 10 years, nine of which were with Northwestern Mutual Life. He is a graduate of University of Nebraska. Mr. Rice will be in charge of home office activities. He is a graduate of University of Colorado. Mr. Robinson is executive vice-president of Allen Enterprises, Inc., at Boulder, and Mr. Holmes is an attorney.

Leo Eisen Named Manager by Equitable Society

Leo Eisen has been appointed an agency manager in New York City by Equitable Society. He was formerly a supervisor. His territory includes part of the agency headed by the late Abraham Rosenstein. Another section of that agency has been merged with the Meyer Goldstein agency.

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AT 65

INCOME AGAINST
OLD AGE and ILLNESS

Pan American Life Insurance Company offers a Career Contract for Career Men embracing a Pension for Retirement with Disability Provisions and Death Benefits on A Non-Contributory Basis

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NOW IS THE TIME...

to learn about our new General Agent's contract, providing for top commissions, bonuses and LIFE TIME RENEWALS. Representatives participate in Group and Hospitalization coverage. Inquire about our unique and successful GIFT PROSPECTING PLAN (the prospect asks you to call!); our various Agency Services, prestige Production Clubs, Training Schools and Saleable Policies.

Territory open in Arkansas, Louisiana, Mississippi, Oklahoma and Tennessee.

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J. Bruce Trotter, Vice President and Agency Director

NATIONAL EQUITY LIFE
Insurance Company

Clyde E. Lowry, President

LITTLE ROCK, ARKANSAS

OBSERVATIONS

Competitors Are Not Enemies

An instance of unusual compatibility was provided recently at a meeting of a life company group men's association which was attended by a representative of one of the banks which is vigorously pushing for pension business, and a consultant who is as likely to recommend an uninsured as an insured plan. The subject of the meeting was pensions. The two strangers and the rest of the boys got along most amicably. Despite fixed and fundamental differences in opinion as to how to fund a pension, those present had the good sense to realize that they are both aiming at the same thing, adequate income for the retired worker.

Such get-togethers won't and shouldn't diminish the competitive fervor between insured and non-insured pension advocates, but they serve to take some of the acrimony out of the competition and ease the temptations to mud-slinging. The entire pension business suffers when name calling is indulged in for the sake of sales. Honest differences of opinion make competitors, but not enemies.

Perils of Second Childhood

During an underwriting forum at the annual meeting of the Bureau of Accident & Health Underwriters in Highland Park, W. E. Kipp, Indemnity of North America, new chairman of the bureau governing committee, reported that his company has written accident on many elderly persons. He commented that the experience has been very good, except in the case of one old gentleman, 85 years old, who banged himself up considerably by falling off a kiddy-car.

An Actuary's Revenge

A side comment on the recent Ford negotiations was that the actuaries finally had a chance to avenge themselves on the automobile people. Automobile dealers are notorious for their practice of advertising or quoting a basic price and then citing additional estimates for radio, heater, whitewall tires, spotlights, special shifts or transmissions, and numerous other things which add substantially to the price of the car. They tell the buyer that he gets only what he pays for. This is also true of insurance. If an employer or union wants a pension there is a minimum premium. But other benefits can increase the cost substantially. These include vesting provisions and the refund benefit, past service credit, etc. If a social insurance program is desired as well, then the charges mount as group life and its numerous side benefits, hospitalization, medical, and surgical coverages and protection for dependents, are added.

Pension Contradictions

Some of the real problems in the current pension disputes are shielded by the propaganda barrages let loose from all sides. Pensions are said to be an excellent method for retaining employees on a career basis. At the same time it is said that pension costs will be reduced because of the turnover and a reduction in premium is therefore asked. This double talk applies to non-vested plans.

Whether the plan is contributory or not, unions usually insist that their members have the protection of a pension in the event of death or separation from the payroll before retirement. It is almost impossible to sell the union on the idea of a non-vested pension even on the non-contributory basis. They want non-contributory vested plans.

Vested plans are much more costly because of the money needed for refund benefits. All the arguments against tontine plans are levelled against non-vested pensions. A non-vested pension

roughly amounts to a tontine for the employee who stays with the organization until retirement. To some, it appears contradictory that union demands all tend to increase costs while the unions simultaneously oppose contributing to that increased cost.

Wells, Hodes Honored by Nat'l Life at N. Y. Dinner

National Life of Vermont gave a dinner in New York City to honor Edgar T. Wells, who has just retired as general agent, and his successor, Philip F. Hodes. Mr. Wells will continue with the agency in an advisory capacity. Vice-president D. Bobb Slattery was toastmaster.

A reception preceded the dinner and was attended by approximately 100, including 10 company officers and several general agents.

Speakers included Fred A. Howland, former president; Vice-president Deane C. Davis; Frank E. Baker, former general agent in New York City; Leigh J. Bair, New York City, leading agent and president of the agents executive council; and General Agents L. V. Godine of Baltimore, R. C. Meadows of Birmingham, N. Y., and W. B. Richardson of Roanoke.

Gifts were presented to Mr. Wells and Mr. Hodes.

Columbian Nat'l Appoints Three in Agency Dept.

Columbian National Life has appointed Frederick M. Smail as assistant to the manager of agencies; Frank L. Shoring as director of field services, and Joseph Allen as assistant in agency administration.

Mr. Smail has been with Columbian National since 1946 as a group assistant, and more recently as home office representative in the New York City area. He has had considerable experience in brokerage work. As assistant to Vice-president C. C. Robinson, he will be concerned with recruiting and agency building.

Mr. Shoring is a graduate of the L.I.A.M.A. school in agency management. Joining Columbian National in 1945, he has successively served as editor of the "Columbian," advertising manager, and director of sales promotion. He is a graduate of Tufts College and an air force veteran. He is editor and member of the executive committee of the Life Advertisers Assn.

Mr. Allen is a naval veteran, a graduate of Harvard and the Harvard business school. Prior to joining Columbian National he had been with a Boston accounting firm and more recently assistant supervisor of personnel relations for the Sylvania Corp.

Indiana Leaders Blanks Out

Indiana Leaders Round Table applications were made available last week, earlier than in previous years as a result of a change in the qualification year to coincide with the calendar year, according to Nate Paulus, John Hancock, Lafayette, president of the organization. Deadline for submission of applications will be Feb. 7.

Minn. Leaders Program Given

The program for the semi-annual meeting of Life Insurance Leaders of Minnesota at Nicollet hotel, Minneapolis, Oct. 14, will include Joseph A. Engels, district manager Equitable Society, Rochester, Minn., "Looking Ahead at the Institution of Life Insurance"; Lewis T. Stearn, Northwestern Mutual, Minneapolis, "The Easy Way"; Harold

Van Every, Bankers Life, Minneapolis, "Business Insurance"; A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, "Join Me in a Closing Interview."

The Minneapolis Life Underwriters Assn. will have an open meeting Oct. 13 at which members may ask questions from the floor about the organization. There will also be reports on compensation and social security.

National of Vt. Entertains Its 15 Top Producers

Fifteen agents who for the year ended July 1 sold the most insurance for National Life of Vermont, thereby qualifying for the Agents Executive Council, met at the home office as guests of the company this week. They were greeted by President Ernest M. Hopkins, Vice-presidents L. D. Meredith, Henry H. Jackson and D. Bobb Slattery and a number of other company officers.

The top three council members in automatically become president, vice-president and secretary. They are L. J. Bair, New York City; F. T. Fenn, Jr., Hartford, and Robert O. Bickel, Cedar Rapids.

The other 12 members of the council, all of whom were present, are R. H.

Sponberg, Minneapolis; E. P. Ripley, Roanoke; N. C. Croonquist, Minneapolis; J. W. Carrothers, San Francisco; S. R. Heller, Roanoke; T. M. Schriber, New Canaan, Conn.; M. W. Title, Hartford; E. M. Cavaney, Manchester, N. H.; C. G. Raymond, Tacoma; J. T. Wolf, Los Angeles; R. K. Wahl, San Francisco; and H. E. DeLisser, New York City.

Two meetings, devoted particularly to advanced underwriting, were led by General Agents Robert P. Burroughs of Manchester, N. H., and John J. Kellam of New Canaan, Conn.

Chicago C.L.U. Plans Forum

Cloud Wampler, president Carrier Corp., will present management's viewpoint in the town meeting program of the Chicago C.L.U. on Nov. 14 at 8 p.m.

In arranging the program, the chairman, Edward Rosenheim, Penn Mutual Life, endeavored to secure sound thinkers among management and labor to discuss in open forum the future of the American economy. Prepared talks by participants, followed by five-minute periods for rebuttal together with open forum from the floor are a feature.

THIS Option Means Something

When a man buys Term insurance as an option on the permanent protection he can't afford now, he wants the best such option his money can buy.

That's why Occidental's 5 and 10-Year Renewable and Convertible Term renews as often as necessary up to insurance age 64 and converts at any time right up to insurance age 65 — without another medical.

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INSURANCE COMPANY
of California

V. H. JENKINS, Senior Vice President

"We pay agents lifetime renewals — they last as long as you do"

EDITORIAL COMMENT

"Want to Retire Like an Auto Worker?"

Insurance men have never been noted for lack of enthusiasm for their product. Now they are joined by half a million steelworkers striking because they want retirement income.

Much wider sale of pensions and the expansion of social security seem inevitable. One of the unfortunate aspects of those probabilities could be the discouragement of agents because of the possible effect on their market. But confidence that the prospect needs the protection is the key to any successful sale. Some agents may be able to turn the pension news to their own benefit as the group men plan to do.

The number of persons entitled to the newly won pension benefits, over-all, won't be large. However, the front page stories of the past few weeks should

convince the general public that retirement income is extremely important. Of course, so also are the life, accident, hospitalization, surgical and medical coverages.

Individuals not entitled to union-won pensions may be reminded by the strike and negotiation news to cogitate on their own insurance programs and to do something about them. The thought stimulus provided by the pension negotiations may well amount to free advertising of the merits of retirement income. In any event, thinking could well be guided along that line. It should not be too long before we hear an agent with an approach like, "Mr. Prospect, how would you like to be able to retire on \$100 a month like an automobile worker?"

Needed: Tax Equity for Contributory Plans

The hullabaloo being raised about the employer-pay-all pension and insurance benefits that is the big feature of the coal and steel strikes calls attention to a serious inequity in the income tax law which helps give the color of reasonableness to demands for non-contributory benefits.

Under the present revenue law, the employee is better off to accept less pay in consideration of his employer's putting a corresponding amount of money into a benefit plan. For example, suppose an employee's contribution to the plan would be \$170. To make this contribution he must earn some \$200 before taxes. However, if this employer, instead of paying him the \$200 were to put it direct into the benefit plan, it would purchase not only what the worker's \$170 would buy but a substantial additional benefit represented by the tax that didn't have to be paid.

Obviously, such a worker would be better off to take a \$200 reduction in salary in return for the employer's paying both the employee's and the employer's contribution.

Naturally, there would have to be earlier and more liberal vesting under this sort of an arrangement, for otherwise the worker who left employment would be leaving behind a substantial chunk of what was really his own money.

Offhand, the desirable remedy would seem to be to change the revenue law to exempt from income tax payments that an individual makes toward a pension fund until such time as he receives

the benefits. This would not make them tax-free, by any means, although for many it would mean that they would be taxed in a lower income bracket than under the present system. Such a change would weaken the arguments of those who favor the employer-pay-all plan merely as gouging strategy.

In many ways it is highly desirable for the employee to contribute to the benefit plan of which he and his family are to be the beneficiaries. It gives him an interest in the plan and something of a feeling of independence.

The effect on the public, which is particularly important where large industries are involved, is much better when the employee is paying a reasonable share for his benefit plan.

The reaction of the Wisconsin "State Journal" is probably fairly typical on this point. In a recent editorial, it reiterated its endorsement of insurance and pension protection for all Americans, rather than just those who happen to be in a position where they can force the rest of the public to pay for extra concessions for a few. It pointed out that the millions who depend on private insurance and on savings bear the entire cost themselves, while those who depend on the government's programs pay half. It goes on to ask, "Why should the steel and coal workers (who also are eligible for federal social security benefits) expect the rest of us to provide them with pensions and insurance toward which they contribute nothing?"

If that is going to be the attitude to-

ward non-contributory pensions in major industries it is something to think about.

The income tax angle, while it is a sound reason for favoring non-contributory pensions as against the contributory type, is probably little in the minds of those who clamor for the employer-pay-all pension system. Much more prominent in the thinking of these people is

undoubtedly the "something for nothing" motive. If the revenue law could be changed to give the same income tax advantage to employees under the contributory as under the non-contributory type of pension, the principal reasonable basis for favoring the non-contributory plan would be nullified and the "gimme" argument would be shown up more clearly for what it really is.

Pep Meetings Have Their Place

Frequently the difference between a good athletic team and a mediocre one lies in team spirit and this is equally true of life insurance companies. There are several companies which since the war have made remarkable progress in building up their field forces and in writing business. Close examination of these outstanding performances will convince one that, first of all, the management of these companies set about to build up an esprit de corps where formerly very little existed.

Companies which have been able to instill this extra pride in and loyalty to the organization frequently appear a

little "corny" to others. However, the most venerable companies obtained their initial impetus by the same sort of cheerleading.

We attended a banquet of a smaller company on a rapid upgrade recently and it reminded us of nothing so much as a college pep meeting before the football game. No one at a college is bothered by the fact that such antics may appear to be juvenile to older men. What matters to them is that such a demonstration generates enthusiasm and a will-to-win that more staid exhortations quite definitely could not accomplish.

PERSONALS

B. B. Livergood, assistant supervisor of the policy examination division of the Illinois department, is confined to Macon county hospital at Decatur following a heart attack. His home is at Decatur.

Lester L. Bates, president of Capital Life & Health of Columbia, has announced his candidacy for governor of South Carolina.

A. C. Larson of Madison, Wis., observed his 74th birthday Oct. 1 with "business as usual." A retired general agent of Central Life of Iowa, he is still actively engaged in personal production.

Stratford Lee Morton, general agent Connecticut Mutual, has been re-elected for a three-year term as a director of the St. Louis Municipal Theater Assn.

Miss Margaret Ann Craig, daughter of Edwin W. Craig, president of National Life & Accident, and Mrs. Craig, and granddaughter of C. A. Craig, past president and one of the founders of National Life, was married to Walter M. Robinson, Jr., of New York City, at West End Methodist Church, Nashville.

W. L. Matheney, district agent for New England Mutual at Charleston, W. Va., has completed 30 years of consecutive weekly production.

Theodore P. Beasley, president of Republic National Life, has been selected as "man of the month" by the Oak Cliff (Dallas) Chamber of Commerce. He was president of the Oak Cliff chamber in 1947-48.

Dick, Joe, and Jack Dunsmore, sons of William J. Dunsmore, manager of Equitable Society in New York City, are junior, sophomore and freshman, respectively, at the Wharton school of

University of Pennsylvania. Their older brother, Bill, who graduated from the school last June, is joining the father's agency. During his senior year at school he earned more than \$2,500 selling life insurance.

Walter Wooten, Jr., personnel director of Interstate Life & Accident, has been elected president of the mid-south district of the National Council of Industrial Management Clubs. The group will hold its 1950 convention in September in Chattanooga.

DEATHS

McAllen B. Farriss, for many years an examiner for the Mississippi department, died recently.

A. J. Edwards, resident manager at Indianapolis and Detroit for THE NATIONAL UNDERWRITER, is bereaved by the death of his wife Leona E. Edwards at the age of 57. She was operated on 17 months ago and never fully recovered.

Dr. Homer T. Joy, 77, a former medical examiner for Equitable Society, and a medical director of Eastern Life, died at a New York hospital.

Robert E. Hannegan, former Postmaster General and former Democratic national committee chairman, who died of a heart attack in St. Louis, among his many other activities was connected with the life insurance business through Brandwein, Hannegan & Sid Salomon, Jr., Inc. of New York City, and Portnoy-Salomon & Co., St. Louis.

R. E. Scott, 50, assistant secretary and manager of the mortgage loan department of Occidental Life, died suddenly. He joined Occidental in 1936 as assistant manager of the mortgage loan department. Before that he had been em-

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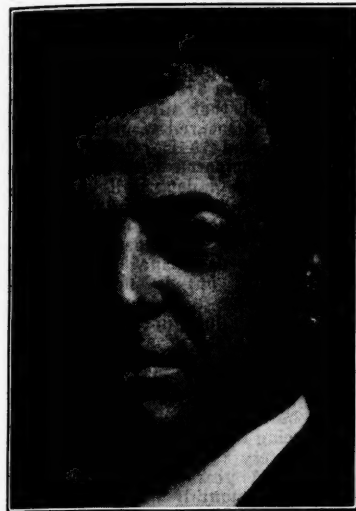
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played since 1920 in various capacities with Bank of America. He was a veteran of the first war, having left Stanford University to serve with the A.E.F.

Vice-President Hodell of Union Central Dies at Fete in His Honor

CINCINNATI—H. L. Hodell, 69, vice-president of Union Central since 1936, died of a heart attack. He collapsed at a dinner given by the company at the Queen City Club in Cincinnati shortly after a plaque was presented to



H. L. HODELL

him by W. Howard Cox, president, in honor of his 50th anniversary. Starting as a clerk at \$3 a week, he became chief clerk in the financial department in 1920; assistant treasurer in 1922 and treasurer in 1932.

He was responding to the commendatory words of Mr. Cox and was saying, "I do not want to prognosticate the future" when he slumped to the floor and died.

Sara Frances Jones Dies; Had Long, Notable Career

Miss Sara Frances Jones, of the Lustgarten agency of Equitable Society in Chicago, one of the country's best known women agents, died in Chicago. She had been in poor health for several years.

Miss Jones was one of the pioneers in women's activities in the National Assn. of Life Underwriters and was chairman of the Women's Quarter Million Dollar Round Table at Denver convention of N.A.L.U.

Miss Jones had a remarkable career. She started in life insurance at the age of 16 and became the stenographer of Vice-president Gage E. Tarbell when he was head of Equitable's agency department. She was sent in 1911 to Chicago where a woman's department was established. She was the first woman supervisor ever to be appointed by any company.

Then she was made manager of the women's agency in Chicago. She occupied this position until 1918 when she entered war service in France, returning for a short period of insurance work in Boston and then went to Chicago where she had devoted her entire time to personal production.

She became a C.L.U. in 1930 and that year became the second woman in the country to write \$1 million in a 12 months period.

Frank R. Bacon, 77, one of the oldest

trustees in point of service of Northwestern Mutual Life, a member of both the executive and finance committees, died at his home in the Fox Point residential suburb of Milwaukee. He was chairman of Sutler-Hammer, Inc., which he founded. His daughter is the wife of Edmund Fitzgerald, president of Northwestern Mutual.

Nathan P. Himmel, 68, died Oct. 3 after a long illness. He was with the Buffalo agency of Mutual Benefit Life for 18 years.

William E. Marshall, who retired several years ago as assistant manager at Albany, N. Y., of Metropolitan Life, died after a long illness. He was with Metropolitan at Albany 20 years.

Indiana Workshop Held Boost to Degree Programs

Lloyd Paulin, manager for Prudential at Anderson, and president of Indiana Assn. of Life Underwriters, declared at the Indiana University life insurance sales workshop that he hoped that similar programs would eventually induce Indiana and other universities to expand their insurance curriculums into a department offering. Mr. Paulin envisioned not just a degree in economics with an insurance major, but a degree in insurance itself. Registrants from three states heard speakers and participated in discussions.

J. E. Hedges, insurance professor at Indiana, told his hearers that among the hundreds of policy forms offered by the various companies, none can be said to be better than any other. There are no better policies per se, but only certain policies that are best for the needs and circumstances of the applicants, he explained.

Robert W. Osler, editor of life publications for Rough Notes Co., advised, "Don't try to play God when you advise settlement options. You can't foresee everything that is to come, and to tie up proceeds inflexibly may lead to tragedy. Often the tax saving is minor and better foregone if arrangements make it conflict with estate purposes," Mr. Osler declared.

H. E. Rust Gives Ideas

Hilbert E. Rust, R. & R., commented "A bond doesn't care about your situation or your needs. Only life insurance does. Life insurance is the only investment built on a combination of money and mortality. How else can you set up an estate before you've paid for it?"

H. J. Pierce, Massachusetts Mutual, said that the usual system of compensation of agents often runs counter to the little buyer and the man with a completed program tends to be shorted on competent estate and programming service and on follow-ups, because most systems of compensation pay the agent nothing for pure service that does not result in a sale.

Alden C. Palmer, R. & R. brought out that it is often the smallest details which spoil a sound programming job. The small point the agent isn't sure about, but doesn't bother to check on will often be the point on which competition will get in later or which will some day cause real hardship to the beneficiary, he indicated.

Glenn Isgrig, manager for Reliance Life at Cincinnati, advised, "When you call on your prospect and his wife, leave the C.S.O. table alone and concentrate on the dining-room table." Other speakers included E. H. White, attorney, and J. D. Long of the university staff.

Prudential Auditor Retires

Prudential has retired J. Ernest Laurie, head of the auditing division. Mr. Laurie was born and educated in the British West Indies. He entered the U. S. in 1914 and entered insurance accounting.

He was with an accounting firm in 1937 when he joined Prudential. He is a director of the Institute of Internal Auditors and immediate past president of the New York chapter.

Agents Must Like Manager, Company to Be Effective in Public Relations

Agents must be happy in their agency and company relations, as well as successful producers, if they are to do an effective job in public relations, H. G. Kenagy, vice-president Mutual Benefit Life, told the Springfield, Mass., Managers Assn.

He said they cannot be expected to be even interested, and certainly not effective, in building the prestige for the business unless they like and respect their leaders, both agency and home office; believe that their company is well managed, and believe that they are well and properly compensated.

What agents believe and feel, said Mr. Kenagy, is almost entirely a reflection of the agency manager's ability as a leader of men.

Guardian Names Ashby as North Carolina Manager

Guardian Life has appointed Henry N. Ashby manager for North Carolina, with headquarters at Raleigh.

Following graduation from Duke University in 1937, he was employed in the sales division of Liggett & Myers Tobacco Co. until 1941, when he entered the life insurance business as an agent at Valdosta, Ga. After serving as a navy officer until 1946, he returned to life insurance. He was engaged in sales and management work at Greenville and Columbia, S. C., until his Guardian appointment.

Goldman Agency Leads

At the end of August the Prudential ordinary agency in Chicago, under A. Van Goldman, ranked first among central region agencies of the company on the basis of accomplishment in proportion to allotments in each of nine categories.

In order to achieve this standing, the following were taken into consideration: Paid business, net increase, new full time agents' business, group insurance volume, group premium income, merit award qualifiers, new full time agents appointed, net lapse percent, percentage of first year lapses.

Open Third Agency in Ore.

A new local agency has been opened at Central Point, Ore., by Stanley Jones. It is affiliated with S. C. Jones & Sons which operate agencies in Medford and Ashland. Mr. Jones is a University of Oregon law school graduate.

Squabs Nest in N.Y.C.

There will be 34 Mutual Benefit Life agents attending the annual meeting of the Squab Club, which is made up of the outstanding yearling agents. It will be in New York City, Oct. 17-18. Featured speaker is to be Raleigh R. Stotz, Mutual Benefit general agent at Grand Rapids.

Open Hartford Season

Hartford Assn. of A. & H. Underwriters held its first fall meeting Oct. 3. A report was given on the national convention at Cleveland. George J. Richards, Monarch Life, chairman of the executive board, presided.

Edward Beckman, formerly with the "Weekly Underwriter" and before that with the J. Walter Thompson agency, which handles the Institute of Life Insurance account, has been named account executive by the Greshoff advertising agency of New York for the Savings Bank Life Insurance Council of New York. The council is planning a long-range program of more aggressive promotion of S.B.L.I.

Success Formula Given by Evans at M.D.R.T. Meeting

A formula for success in life insurance in which success equals efficiency times exposure times market and competition was presented to the Million Dollar Round Table at its meeting at Cincinnati by Dick Evans of Massachusetts Mutual, Los Angeles.

"I do not endeavor to create in your minds the thought that marketing life insurance is an exact science," Mr. Evans said. "Certainly it is not. There are many unknowns, variables and intangibles. A formula for success is intended to be a way of thinking, a skeleton framework in our minds on which we can build new thought, a master filing system which enables us to properly classify and utilize, store away or throw out, new ideas that come our way. The formula is a device which can assist us in keeping on course, heading always towards our major objective."

In working out his formula, Mr. Evans listed "money and satisfaction" under success; "knowledge, experience and personality" under efficiency; "organization, distractions and drive" under exposure and "people in numbers" under market and competition—people who are socially accessible, with need and buying power and who are physically acceptable and physically accessible.

"Using the formula as a means for organizing thought," Mr. Evans said, "the new man in life insurance can reach two conclusions—if his efficiency and experience are of necessity small at first, then special attention must be focussed on his market to produce a significant success. If his efficiency can be increased, but only at the expense of exposure, then time can be spent on improving efficiency only as it applies directly to his market."

"The formula has utility, I feel, as a device for trouble shooting an ailing success. Self analysis with the formula as a guide will often reveal the weak spot, the sick member which will require special attention for improvement."

Mr. Evans, who served with the air forces, where he rose from private to lt. col. entered life insurance at Los Angeles in 1946. He qualified for membership in the Million Dollar Round Table in his first year and 22 months later, applied for life membership.

Jurantich Named Franklin General Agent at Green Bay

William F. Jurantich, for 20 years with Prudential in Milwaukee, has been appointed general agent for Franklin Life in Green Bay, Wis., succeeding Walter Wetzell, who is relinquishing management duties to have more time to devote to personal affairs. He will continue with the Franklin Life as a personal producer.

Camps Names Son Supervisor

The M. L. Camps agency of John Hancock in New York City has appointed Lowell C. Camps as supervisor. He is the son of General Agent M. L. Camps and was a debit agent of the company in Westchester country for the last 10 months. He is a graduate of Colgate, where he starred in athletics. He is an army veteran.

To mark the silver anniversary of L. C. Mersfelder as Oklahoma manager for Kansas City Life, his agents presented him with applications of \$1,025,000 written during September, the anniversary month. This was achieved after having completed a million dollar production in August in honor of W. E. Bixby, president. The formal celebration of Mr. Mersfelder's anniversary will be Dec. 15, the day before the annual deer dinner he stages for the agency.

Sales Ideas and Suggestions

Uses Statistics to Sell Prospects Who Buy Bonds

A statistical approach to the prospect who prefers to buy government bonds has been successful for Marvin J. Berke of the Grosten Agency of Manhattan Life, Los Angeles. Originally, he felt that there was very little chance to "thaw" such a prospect but now he thinks that they are the best he can find. They have proven that they are primarily interested in and know the value of guaranteed investments, he says,

and therefore have eliminated real estate and stocks as competitors.

The key to the presentation is to get the man to admit that he is saving the bonds for future income.

"Figuring the future value of a series of bonds is a much more complicated process than my prospect expects; in fact, it is so complicated that I have yet to meet a prospect who knows even approximately what his ultimate income

will be" Mr. Berke says. "The discussion of how much income he will have is actually half of the sale.

"Let's suppose the prospect is 35, wants to retire at 60, and has a program of buying a \$1,000 maturity value bond for \$750 each year. The total he'll accumulate will grow at 2.9% compound interest. Then point to the rate book and show him the table for 3% compound interest. Show him that each dollar invested is worth so much at age 60 and multiplied by the \$750 per year invested, equals a gross capital of \$28,164. Then point out that he has put in \$750 a year for 25 years, which represents a gain of almost \$10,000. Income taxes would cut down this gain considerably. For example, if he were in the 30% bracket, it would have cost him \$3,000 out of the \$10,000. Finally, indicate that the government program could not yield the full maturity value on each bond since the bonds during the last nine years of his investment program would all have been cashed on maturity at less than the ultimate \$1000 value."

Capital Investment a Problem

Mr. Berke summarizes by saying, "If we take the value of \$750 deposited each year for 25 years with 3% compound interest, and subtract a little from that to adjust to 2.9% compound interest, and subtract a little from that to adjust for the bonds surrendered before maturity, and then take a considerable amount from that to adjust for income taxes at the time the bond matured, we arrive at the net value of a government bond program." Then we tell the prospect that the kind of an investment he is talking about by way of comparison is so good that he can afford to incur all the depreciation and compare his investment with the 3% compound interest investment with a net value of \$28,164.

The next step is to ask the prospect how he'll invest his capital to give him his income at \$860. Mr. Berke says "Neither the prospect nor I can think of an investment other than life insurance that can guarantee 3% for life. 3% on his capital of \$28,164 is \$845 a year, 4 1/2% on his investment of \$18,750. (Unless the situation warrants it, I do not mention that all of the \$845 is subject to income tax.)"

What Life Insurance Does

Using Manhattan Life rates, Mr. Berke goes on to show what life insurance can accomplish in comparison. "For \$737 per year to age 60 (a few dollars less than the \$750 bond program), we can guarantee the prospect a life income of \$1320 per year, as compared with \$845 or 7% on the investment of \$18,425. This calculation is based on the premium for \$11,000 endowment annuity at \$860 yielding \$110 a month."

He continues by mentioning, "Under the present tax ruling, only \$552 out of the \$1320 would be subject to income tax for many years. I then discuss the waiver of premium feature showing how the plan guarantees to continue the annual deposit of \$737. I point out that if he purchased only one \$1000 bond for \$750, and then became totally and permanently disabled, the most he could realize is \$100 and only in the tenth year. If, on the other hand, he made one deposit in my plan, and then became disabled, it would be quite possible for him to realize as much as \$19,613 exclusive of dividends."

"Taking the same illustration, if only one deposit is made, and then disappears, his beneficiaries are entitled to his bonds, together with whatever interest has accumulated. Under the life insurance contract, a little less than \$11,000 would be paid."

He then continues by discussing the advantages of the life insurance loan privileges which are not available to owners of government bonds.

In selling investment life insurance such as the endowment annuity, he believes in playing down the death benefits in order to stress the investment aspect. He has an answer to the objection that the possible return is less than the principal after the life income begins. For example, in the 10 years certain plan, commencing at age 65, which guarantees \$750 out of the \$1000, he points out that the slight possible loss when the insured would have been between 65 and 78 is relatively unimportant as compared with the amount paid in excess of deposit if he dies in the early years when the added protection is very important.

"Agents think \$6.30 per month per \$1000 in proceeds at age 65 a good income annuity; but to the layman a monthly income of \$6.30 on a \$1000 sounds like an insignificant amount. I believe in expressing a \$6.30 monthly income as \$76 per year per \$1000. Compared with prevalent interest incomes, this is 2 1/2 times as favorable. That figure is based on 120 months certain, guaranteeing in case of early death only \$756 on every \$1000 of principal; however, the 15 years certain income at \$865 is \$5.65 monthly which means that \$1000 will yield \$67.80 per year, which expressed as an income of 6.78%, is still very attractive and yet guarantees a few dollars more than the original \$1000."

Prospect Can Buy Time Even If God Won't Give It

In his talk on "God and Life Insurance," Stanley E. Martin, State Mutual, Dallas, told members of the Million Dollar Round Table at Cincinnati that the prospect who refuses to make use of life insurance to buy himself the time he needs to make his abilities and opportunities pay off is in a rather weak position in hoping that God will give him the necessary time.

Mr. Martin uses a visual sales presentation, including a card on which there are three silver dollars. One is marked, "Ability," the second, "Opportunity," and the third, "Time." He points out that it takes all three and that any man would fight like a wildcat if anyone tried to take away his ability and opportunity, but he asks the prospect what use these two are if he hasn't the time to use them.

Then he goes on to tell the man that there are only two places he can get the necessary time—from God and from life insurance. He doesn't know whether he will get it from God, but he knows he can get it from life insurance, if he can pass the examination.

He points out that a man who needs \$100,000 can pay \$3,599 in premiums over the next 20 years, or \$70,000, and his family is assured of the \$100,000 even though he makes only one premium payment.

Sells Wealthy Oil Man

Mr. Martin told how he sold a wealthy oil man who was financially well fixed, but had insufficient life insurance. Mr. Martin brought him around by making a reference to the prospect's daughter and then saying:

"Some day that little girl will go out to the mound where you are buried and say, 'Gee, Daddy, you were wonderful and wise; you knew where the oil was, you knew how to get the oil out, you knew when to merge, when to buy, and



Pilot Representatives Can Expect Full Cooperation From All Departments of the Company...

Departments of the Company...

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O. F. Stafford, President
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An Emblem



of Distinction

Sound business management and very low mortality have given Lutheran Mutual the distinction of being one of the very lowest net cost companies in the United States.

Inquiries, regarding agency openings, are invited from Lutherans.

LUTHERAN MUTUAL LIFE INSURANCE COMPANY
Waverly, Iowa

when to stay out of the market, but Joe, the man I married, wasn't very smart and I'm cold and hungry and destitute."

"If that ever happens, if she ever has to come out and say that or anything like it, then I'd say you are a failure 40 years after you're dead. Your money will not have done the job you accumulated it to do. That's what I meant when I said you are in a beautiful position to make sure you will be a financial success. Would you like to be sure?"

"Do you mean life insurance?" the prospect asked, to which Mr. Martin replied, "Is there another way?"

MANAGERS

Pittsburgh Elects Dodson

A special nominating committee of Life Managers Assn. of Pittsburgh has chosen Robert R. Dodson, General American, to fill in as president for the remainder of the term of William W. Barry, who has retired from Sun Life of Canada. Russell S. Moore, assistant manager of agencies of Midland Mutual, was the speaker.

Marks Lexington Secretary

Robert L. Marks, American National, has been elected secretary-treasurer of General Agents & Managers Assn. of Lexington, Ky., to fill the unexpired term of Austin Redding, transferred from Lexington.

Detroit-Windsor Cashiers Elect

Life Agency Cashiers Assn. of Detroit-Windsor has elected as president, Wave Addison, Union Central; vice-president, Isabel Stine, Lincoln National; secretary, Anne MacKenzie, Confederation Life; treasurer, Dan Bowen, Phoenix Mutual.

The board of the New York City Life Managers Assn. will meet Oct. 18 to discuss plans for the annual meeting in December and the program for the remainder of the year.

A discussion of the compulsory health insurance and socialized medicine programs followed a talk on that subject by Dr. Thomas Aylward, Milwaukee physician, at the luncheon meeting of Milwaukee Life Insurance Cashiers Assn.

Southland on CSO 3% Basis

Southland Life has completely revised its rates and values in accordance with the CSO mortality table and interest of 3%.

Barnes Addresses L. A. Managers

Director Donald F. Barnes of the extension and development division of the Institute of Life Insurance, spoke before the members of the Los Angeles Life Managers Assn. on "Doing More of What the Public Wants."

In addition to members of the managers' association, officials of the Pasadena, San Fernando Valley, Santa Monica and Los Angeles life underwriters attended, along with publicity heads of local life companies.

N. Y. Supervisors Hear Kelsey

New York City Life Supervisors Assn. held its first meeting of the fall with about 50 in attendance. Wilfred Kelsey of the Institute of Life Insurance discussed the institute's new advertising campaign following which the film "For Some Must Watch" was shown. Peter J. Lo Truglio, Aetna Life, association president, was chairman.

Continental American has introduced a preferred five year renewable term policy issued in minimum amounts of \$5,000 from age 20 to 55, inclusive. It is automatically renewable for additional five year periods, except that any renewal after age 60 expires on the anniversary nearest age 65. It may be converted as of original age within five years from issue date; or as of attained age up to the anniversary nearest age 60.

Lewis W. S. Chapman, L.I.A.M.A. director of company relations, recently underwent a major operation at Hartford Hospital, and is now convalescing at his home. He expects to return to his office within a month. He became ill in the midst of preparation for the annual meeting at the Chateau Frontenac. Although confined to his home, he is still directing this year's annual meeting plans which are being carried out by the headquarters staff.

The Occidental players, a volunteer group of employees of Occidental Life, will present the Sawtelle edition of the Occidental Varieties of 1949 before an audience of 1,500 war veterans at Saw-

telle General Hospital, Los Angeles, Oct. 18.

Gives Out Diabetes Booklet

Pamphlets were distributed by local offices of Prudential in connection with National Diabetes Week, Oct. 10-16. This is a part of the national medical

campaign to stress the need for early detection of the illness to assure proper treatment.

Lamana-Panno-Fallo Industrial Ins. Co., has changed its name to Atlas Life of New Orleans. It was organized 16 years ago.

"There's LIFE in the BERKSHIRE!"

"You must be referring to the Berkshire's new form of Total Disability Coverage—the COMBINED PREMIUM WAIVER and MONTHLY INCOME BENEFIT."

"Right you are! I've found it a big help in closing some nice business with several important new clients. How about you?"

"Same here . . . it has meant good business for me!"

THE
Berkshire
LIFE INSURANCE COMPANY

HARRISON L. AMBER, President

INCORPORATED 1851

PITTSFIELD, MASS.

If you are a full time Agent
of any company we solicit
your surplus business only.



Four of the five members of the new executive committee of the women's quarter million dollar round table: Minna Hensley, Franklin Life, Salina, Kan.; Elsie Doyle, Union Central, Cincinnati, chairman; Norma Wasson, Phoenix Mutual, Kansas City; Emma McConnell, Volunteer State Life, Chattanooga, immediate past chairman. The fifth member, Hazel Herrmeyer, Penn Mutual, Minneapolis, could not be present because of having recently suffered a fractured hip.

WANTED — Home Office Agency Director
Splendid Opportunity for Anyone with Executive Ability. Duties — Plan and Direct the Appointment of Agents and Production. Liberal Agency Agreements.

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Giving Age, Experience, Salary Expected.

The Eagles' National Life Insurance Company

(an Ohio Stock Company)

413 Arch Street

Cincinnati, Ohio

Attention of — Fred O. Doerger, Vice-President

Financial Meeting Final Feature

(CONTINUED FROM PAGE 1)

through London Lloyds. He said the only chuckle he got during the 24 days he was adrift in the Pacific Ocean was when he thought of the expressions on the faces of the insurance officials as they were wondering about his fate.

Urging a strong air force in the United States, Captain Rickenbacker said he saw nothing to get either hysterical or morbidly resigned about in the news that Russia has some kind of atomic bomb. He opined that war can be prevented but only by preparedness, which he said meant a stock of atomic bombs superior in both quality and

quantity to Russia's, coupled with long-range bombers that can reach the vital points of Russia from bases on the North American continent.

PATRICK CHAIRMAN

The Financial Section elected the slate reported in last week's issue, this being R. B. Patrick, financial vice-president Bankers Life of Iowa, chairman; Willard N. Boyden, vice-president Continental Assurance, vice-chairman; and

Julian D. Anthony, president Columbian National, secretary.

An optimistic picture of the petroleum industry as a channel for life insurance investments was given by Lewis W. MacNaughton of DeGolyer & MacNaughton, Dallas geologist and oil engineer. He said that within recent years scientific techniques have made possible accurate estimates of production so that it is no longer necessary to wait until a field's production decline begins to know what its potential is. Science is still progressing in this department, he said. He also mentioned the improved techniques of bettering yields.

Economist Gives Warning

Courtland Elliott, Toronto consulting economist, warned that the "childlike faith in the ability of governments to do all that needs to be done seems to be growing."

Mr. Elliott scoffed at the idea that complex problems can be cured by simple nostrums and said that the modern business man must have wider horizons than ever before, so wide, in fact, that he must frequently feel that he has to think more about his business environment and its problems than about his business itself.

Speaking out against currency debasement, Mr. Elliott said:

"In our dream world, we seek to ignore the lessons of economic history, we try to quell economic forces by man-made devices to fashion purchasing power out of money instead of effort, we suffer the consequence of the economic dictatorship of central planners in order to neutralize the oscillations of prices, wages, profits, interstate rates and foreign exchange."

C.E.D. Chairman Speaks

W. Walter Williams, chairman of the Committee for Economic Development, said that the United States must keep her economy strong, her military defenses strong and must provide strong moral leadership. He suggested that while foreign currency devaluation is a disadvantage, it is only temporary and American genius for low cost, high volume efficiency in production and similar genius in the field of selling, can meet the challenge if there is enough determination.

He warned against reposing excessive responsibility or authority in government, for this means that the government becomes the master and not the servant of the people. He said that the standard of living can be substantially increased for all if everyone will do what he can to help boost production and, at the same time, exercise intelligent self-restraint not to throw sensitive economic relationships out of balance by trying to force for themselves more than is fairly their share.

The talks of J. M. Bryan, 1st vice-president of Jefferson Standard Life and chairman of the Financial Section, and of Stahl Edmunds, economic analyst of Northwestern National Life, were reported in last week's issue. The talk of President Leroy A. Lincoln of Metropolitan Life is reported elsewhere in this issue.

The convention was officially brought to a close by Chairman Isaac Miller Hamilton of Federal Life of Chicago, whose adjournment speech has long been a tradition of the A.L.C., of which he was a founder.

Tri-State Actuarial Meet

The Indianapolis Actuarial Club will hold a joint meeting Oct. 17 with actuaries from Indiana, Ohio, and Kentucky, starting at 2 p.m. at the American United home office. Subjects will include: persistency, juvenile contracts, expense allocation, non-medical practice, substandard non-forfeiture values, and duplicate policy series.

E. M. McConney, president of Bankers Life of Iowa and of the Society of Actuaries, will be the speaker at dinner at the Marott hotel.

Insurance Statistics Session for the Teachers

A session in insurance statistics has been arranged for the annual meeting of American Statistical Assn. and American Assn. of University Teachers of Insurance. This will be held at the Biltmore Hotel, New York, Dec. 27, from 10-12 a.m., and is open to the public. Thomas O. Carlson, actuary of National Bureau of Casualty Underwriters, will speak on "Statistical and Actuarial Procedures in Liability Insurance." Gordon Streeter, assistant actuary of Aetna Life, will describe "An Insurance Company's Approach to A. & H. Statistics," while Mark Kormes, consulting actuary of New York, has as his topic "Statistical Problems and Methods of Blue Cross and Blue Shield Prepaid Hospital and Medical Care Plans."

These papers will be discussed by Arthur L. Bailey, chief casualty actuary of the New York department, and by W. Rulon Williamson, actuarial consultant with the Wyatt Co. and Blue Cross-Blue Shield commissions. Presiding over the session will be Raymond F. Killian, assistant vice-president of Metropolitan Life.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946

(Title 39, United States Code, Section 233) of The National Underwriter Life Insurance Edition, published weekly at Chicago, Ill., for Oct. 1, 1949.

1. The names and address of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.

Editor, R. B. Mitchell, Evanston, Ill.

Managing Editor, R. B. Mitchell, Evanston, Ill.

Business Manager, H. J. Burridge, Cincinnati, Ohio.

2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati; Elizabeth W. Herschede, Cincinnati, Ohio; John Z. Herschede, Cincinnati, Ohio; C. M. Cartwright, Evanston, Ill.; H. J. Burridge, Cincinnati, Ohio; G. W. Wadsworth, Highland Park, Ill.; R. E. Richman, New York, N. Y.; Levering Cartwright, Evanston, Ill.; Ruth Cartwright, Evanston, Ill.; Russell Cartwright, Evanston, Ill.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.) None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semi-weekly, and tri-weekly newspapers only.) 8,207.

R. B. MITCHELL
Sworn to and subscribed before me, this 30th day of September, 1949.

(Seal) H. E. LISTUG.
My commission expires Aug. 18, 1954.

Renewal Commission
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CREDIT CORPORATION
Northwestern Bank Building
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NEW HORIZONS

1. Liberal First Year Commissions.
2. Vested Renewals Unsurpassed.
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DON'T OVERLOOK THE YOU IN U.S. LIFE.

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From the word "GO," The USLife has YOU in mind. Whether you're looking for effective sales tools to help motivate prospects and produce leads, or helpful advice on preparing your own sales promotion campaigns... or whether you want competent advice and assistance to help you close cases on all regular forms of Life, A & H, Hospitalization, and Group insurance... you can always count on members of The USLife to give you full cooperation and service. This is why we say, "Don't Overlook the YOU in The U.S. Life."

the United States Life
INSURANCE COMPANY
IN THE CITY OF NEW YORK.

Coffey Parley Attended by 350

About 350 took part in the convention of the Harry K. Coffey agency of Mutual Benefit H. & A. and United Benefit Life of Portland, Ore., that was held at Gearhart, Ore. The agency was marking its 25th anniversary. It handles Oregon, Washington, western Idaho and Alaska. Its life insurance in force is \$47 million and its A. & H. premiums exceed \$34 million.

In 1948 the agency wrote a total of 68,719 health and accident applications for a total premium of \$4,082,491 and 5,196 life applications for a total volume of \$12,868,395.

Conservation was emphasized, especially in the address of Francis S. Finch, executive vice-president. Several new policies were announced, including hospital and sports contracts.

Health Sound Despite Minor Ailment, Says Court

The Oklahoma supreme court affirmed judgment of the Carter county, Okla., court in the case of Baxley vs. Farmers & Bankers Life and awarded judgment for \$2,000 to the plaintiff, husband and beneficiary of Mrs. Capitola F. Baxley.

It was contended by the insurer that at the time the insured applied for the policy she did not completely disclose her physical condition and failed to disclose current medical treatment. The trial court ruled that the policy requirement of sound health did not extend to minor or periodic disorders. The insured had undergone minor surgery soon after receiving the policy and a peritonitis condition had developed which resulted in her death.

Catalogue to Aid Study of Advertising Exhibits

A catalogue to facilitate study of advertising exhibits has been planned for visitors to the annual meeting of Life Insurance Advertisers Assn. Oct. 27-29 at the Drake hotel, Chicago. More than 240 examples of policyholder publications, sales promotion and advertising materials are anticipated. The catalogue will carry the classification, description and purpose of the exhibits.

Pension Conference Meets

The major problems in the pension field from the point of view of the employer, employee, insurance company, trust company, broker and consulting actuary were discussed at the first fall meeting of the American Pension Conference. About 120 attended the meeting at which Charles A. Siegfried, assistant actuary, Metropolitan Life, presided.

Speakers were Jason Lindower, Owens-Illinois Glass Co., on the problems of the employer; Elmore C. Patterson, J. P. Morgan & Co., for the trust companies and trustees; Arthur Windecker, Prudential, for the insurers, and G. Gilson Terriberry, consulting actuary.

Life Only Licensees Can't Write Double Ind. in Cal.

California agents licensed for life only apparently will not be permitted to write life policies with double indemnity for accidental death. Disability insurance, generally, is not within the life only scope and the attorney general has opined that double indemnity is not within the bounds of the new life only licenses. Commissioner Downey suggests that the standards for approval of training courses for applicants for the life only licenses be changed to include necessary training in double indemnity. The question has been submitted by life agents organizations to the attorney general for further study.

Court Rules Flight Was Planned, Awards \$10,000

The federal court at Atlanta in the case of Little vs. Globe Indemnity awarded judgment of \$10,000 to the beneficiary of John Victor Little, Delta Air Lines district traffic manager, who was killed in the crash of one of his company's air liners.

The court ruled that the insured was a passenger, not a pilot, in a common carrier on a planned trip and as such was covered by his aviation accident insurance. The court noted that while the air line had at the time of the crash no established route for passenger service from Macon, Ga., to Columbus, Ga., both cities were points on a route awarded by CAA a short time prior to the accident.

Mutual Life Aids in Queensview Project

Mayor O'Dwyer of New York officiated at ground-breaking ceremonies for Queensview, the cooperative housing project being constructed at Long Island City, N. Y., which is being financed in major part by a \$6,406,000 mortgage loan from Mutual Life.

The development will house 624 moderate income families. The cooperative was initiated by a group of citizens who do not stand to make profit on it but who hope to set it up as a model for a system of such structures on a national scale.

Among those attending the ceremonies were Louis H. Pink, president of Associated Hospital Service of New York, and Louis W. Dawson, executive vice-president of Mutual Life. Mr. Swope

and Mr. Pink are chairman and president, respectively of Queensview Cooperative.

In an address at the ceremonies, Mr. Dawson said in the past three years, the life insurance business has advanced nearly \$6 billion for residential construction. Mutual Life alone has advanced over \$200 million in the same period.

"True or False" Booklet Gives Valuable Answers

A booklet entitled "True or False Quiz" that is expected to be extremely helpful to full-time career agents is being released by National Life. The booklet provides educational material and contains answers to the technical questions which arise in the agent's daily routine. Although the booklet outlines the practices and policies of the company which are, more or less, technical in nature, the explanations or answers are in the layman's language.

The booklet is the outgrowth of a feature which ran for more than a year in the company's magazine, "National Messenger." Various departments in the home office prepared the series of true-or-false quizzes which covered a variety of subjects such as the 1948 edition of policy, 1948 revenue act, general tax questions, selection and policy issue,

beneficiaries and assignees, death and endowment claims, policy change and reinstatement, ownership and premiums.

The quiz series was instituted by the agency department under the direction of John G. Karnedy, agency assistant. The booklet contains a wealth of material which can be used as a reading course; as a part of a planned induction procedure for new men and for experienced personnel as well; as a refresher course on some or all major subjects treated therein.

The General Agents, & Managers' Assn. of Northern New Jersey will meet Oct. 17 with Osborne Bethea, general agent in New York City for Penn Mutual, as speaker.

Charles Hogg, son of Executive Vice-president Robert L. Hogg of the American Life Convention, suffered a broken leg in a motorcycle accident. He is making a satisfactory recovery.

Union National Life of Nebraska has brought out a modified 20 pay life policy for amounts of \$3,000 or more and with a premium rate the first five policy years equal to one-half of the premium rate for subsequent years.

Sixty agents from 22 states are taking the basic course at Purdue.

YOUR Financial Goal

CAN BE REACHED
QUICKER

—and it will last a lifetime when you are able to benefit from

**MUTUAL TRUST LIFE'S
ADVANCED TRAINING PROGRAM**

LOW NET COST POLICIES

**MODERNIZED AGENTS' AND
GENERAL AGENTS' CONTRACTS
with liberal retirement provisions**

A few general agency openings available

"Nothing Better in Life Insurance"

MUTUAL TRUST

LIFE INSURANCE COMPANY

"As Faithful as Old Faithful"

Home Office: 135 South La Salle Street Chicago 3, Illinois

A 44 Year Old . . . Low Net Cost Company . . . With Over \$350 Million in Force . . . and Over \$100 Million in Assets

John Marshall Holcombe, managing director of L.I.A. M.A., this year's recipient of the John Newton Russell award; and Norma Wasson, Phoenix Mutual, Kansas City, at the recent N.A.L.U. Cincinnati convention.



O'Mahoney Probe Gives Preview

(CONTINUED FROM PAGE 1)

payment? (B) Are bonds acquired through direct placement subject to different valuation procedures than those acquired in the market?

IV. Investment in common stocks: (A) Does your company now hold the maximum amount of common stock permitted under statutory limitations? If not, why not? (B) How are common stock holdings valued in making up the balance sheet and computing reserve? (C) Was the decision to enter the common stock field dictated primarily by (1) A search for suitable use of funds? (2) Their relative attractiveness on an earning basis? (3) The desire or need for diversification? (D) What is the company's policy in respect to the voting of common stock held for investment purposes? How are such investments otherwise supervised?

V. Direct investments, particularly in residential or commercial real estate:

(A) Does your company now hold the maximum amount of direct real-estate investment permitted under statutory limitations? (B) How are direct investments in real estate valued in making up the balance sheet and computing reserve? (C) Was the decision to enter the direct-investment field dictated by (1) A search, for suitable use of funds; (2) Relative attractiveness on an earning basis; (3) Desire or need for diversification?

VI. Sale and lease-back investment: (A) Why was this relatively new form of investment developed? (B) Describe the form of lease employed, especially in respect to default provisions. (C) How do these differ in degree or effect from default provisions such as are ordinarily inserted in debenture agreements? (D) Do you regard these sale and lease-back investments as business equities or debt?

VII. Governmental policies: (A) What can be done by organized efforts of business, financial institutions, or government to obtain the optimum rate of investment and to minimize the variability of gross private investment expenditures? (B) Does your company have any program for timing direct investments or the purchase of other securities, or is the time controlled solely by the flow of funds? (C) Having in mind for the moment the problem of variability rather than the amount of investment, are there any government programs which you feel contribute specifically to such variability? Are there any programs which might be adopted to minimize the instability of private investment? (D) Do you feel that it is necessary and proper that government expenditures be employed to complement business investment expenditures in order to maintain an optimum rate of investment when business investment shows a tendency to decline?

Notes Rise in Flow

Discussing investment and financing, the report says, "the substantial demand for corporated bonds by life insurance companies is particularly notable. The current flow of funds into new private insurance at the rate of \$3½ billion a year is more than three times the average of the late 1920s."

"These companies alone bought on balance during the past 3½ years a volume of corporate bonds roughly equal to the increase in corporate bonds outstanding. Their enormous holdings of U. S. government securities plus the large, steady flow of funds into new insurance would seem to insure a continuance of a strong demand for corporate bonds for some time, at rates not too much in excess of current rates."

Tax Exempts and Risk Taking

Discussing "tax exempts vs. risk taking," the report refers to recent tax exemption of life companies' income, and says:

"Under the circumstances the tax-exempt aspects of municipal and state securities is of no practical value to insurance companies as long as investment conditions and the law continue as they are now."

Touching on possible stimulation of investment by means of monetary and credit policy, the report lists among factors increasing the availability of funds for investment purposes, "The rapid expansion of life insurance."

"During expansion periods," says the report, "Reserves of life insurance companies increase rapidly and provide new investment funds. At the same time, since money which has been used for insurance could have been used for consumer goods, the resultant decrease in demand for consumer goods also reduces the need for the new capital equipment which would be used in producing these goods."

The growth of social security funds, the report indicates, has "effects similar to that of life insurance."

License St. Louis Blue Cross

Director Hershey of Illinois has approved the application of St. Louis Blue Cross for a certificate of authority to operate in the state, thus clearing up a situation that had been clouded by an amendment passed by the Illinois legislature, the validity of which has been questioned. The move by Director Hershey prevented lengthy litigation on this score, for it was originally believed that the legislative amendment prevented the licensing of the plan which has been operating in southern Illinois.

The representatives of the St. Louis plan have assured the Illinois department that the rates to be paid by hospitals and subscribers, as well as the contracts, will be submitted for approval. It is held certain that legislation will be proposed at the next legislative session in order to clarify the non-profit hospital act.

U. S. Chamber Says Most Life Agents Want to Be Considered Employees

WASHINGTON—"A majority of the life insurance agents and companies apparently desire that life insurance agents shall be considered as 'employees' within the meaning of the social security bill, says the latest Washington insurance letter from the U. S. Chamber of Commerce insurance department. Paragraph 3 of the definition of 'employee' contained in the bill 'appears to adequately provide for this,' it says."

The letter points out that the act itself does not deal with those agents who are also engaged in selling A. & H. insurance or other kinds of insurance in conjunction with life insurance.

Don't Spend Too Much Time on Group, Says Becher

Spending all your time on group business is like chasing the pot of gold at the end of the rainbow, Fred O. Becher, Jr., group department manager of U. S. Life, said at the October meeting of Brooklyn Insurance Brokers Assn. Few brokers live entirely on group production and they are experts in the field. Even they are only able to do it after a number of years in the business, he said.

Because group is complex the broker should call in the home office group man once he is sure that he can control the line and knows that the buyer is interested, he stated. The home office man can accompany the broker on the call, help secure the employee data, and arrange for follow up calls with the required information. With so much home office help, group production is not beyond the ability of the average producer, he indicated. The interest in disability benefits and pensions will create even more interest in group, he said. In his list of suggested contacts he included union officials who have a position of sufficient authority to originate and participate in welfare planning discussions. As a sales pointer he suggested that booklets describing the coverage distributed to employees bear the name of the broker or agent. At the same time, Mr. Becher advised, brokers should get the list of the names of the employees affected by the group coverage and use it in prospecting for ordinary.

Weiss Incorrectly Listed

Nathan H. Weiss of Chicago was incorrectly identified in the Oct. 7 issue as representing New York Life. He has been connected with Mutual Life for 35 years.

COMPLETE PERSONAL INSURANCE COVERAGE

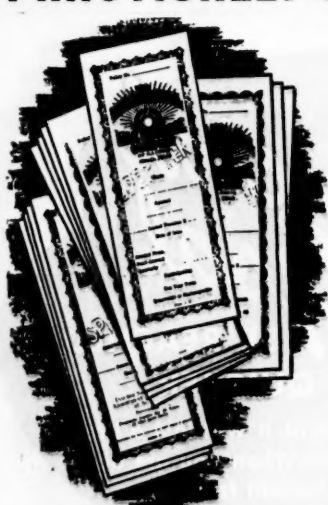
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- GROUP • FRANCHISE
- BROKERAGE
- REINSURANCE

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REPUBLIC NATIONAL LIFE INSURANCE COMPANY

THEO. P. BEASLEY, President
DALLAS, TEXAS.

Agents — THESE POLICIES PRACTICALLY SELL THEMSELVES!



FOR FULL DETAILS WRITE
NORMAN B. ANDERSON, Supl. of Agents

Even the best salesman needs a popular product. You know when you sell what the public wants, you sell *more* and make *bigger* commissions.

One of Our Terrific Sellers:

10 yr. Term Policy, guaranteed renewable for as long as the insured wants to carry it . . . and at unusually low premiums.

Reliance Mutual is a stable, old-line concern of great prestige. We write complete personal insurance — Life, Accident and Hospitalization. Don't wait! Write today and find out how you can earn those bigger Reliance Mutual commission checks.

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AN OLD LINE LEGAL RESERVE COMPANY

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THE ACCIDENT AND HEALTH BULLETINS

420 East Fourth Street

Cincinnati 2, Ohio

Speakers at N.A.L.U. Women Agents' Lunch

At the head table, women agents' luncheon, at the recent N.A.L.U. convention in Cincinnati: Margaret Divver, advertising manager, John Hancock; Norma Wasson, Phoenix Mutual, Kansas City, chairman, who presided; and Ethel Smith, regional manager of Great Northern Life at Cleveland. Miss Divver and Miss Smith spoke at the luncheon.



Randall Hails End of Sellers Market as Chance to Strengthen Business

The passing of the recent sellers' market may prove to be one of the greatest blessings the insurance business has ever had, Jesse W. Randall, president of Travelers, said in addressing the Pennsylvania Assn. of Insurance Agents at the annual convention at Bedford Springs. He mentioned that new laws in New York and New Jersey providing for expansion of benefits which employers have been required heretofore to provide under workmen's compensation acts and which have been voluntarily provided under various forms of group life, accident and sickness may be a sign that the business has not moved fast enough to preempt the government. He warned that if the business is to remain strong, it needs to beat government to the punch every time where public welfare is concerned.

Too long a period of easy business tends to make an industry soft and vulnerable, he declared. The business needs to redefine the position of the producer in terms of normal, competitive times.

Much of the current agitation for the state or government to go into the insurance business is an outgrowth of the recent sellers' market, Mr. Randall said, and he predicted it will subside in a buyers' market.

Great Contribution

Mr. Randall emphasized that the American agency system has made a great contribution to the nation's democratic way of life. It has provided a far-flung organization of small and modest-sized agencies necessary to American business life and has created an opportunity for thousands to make a living through ability and knowledge with a minimum capital investment. "This heritage we will not give up easily," he said. "We will fight to keep it, and in my opinion we will do our best fighting when the going gets tough."

Negro Risk Handling Probed in Mich. Inquiry

Commissioner Forbes of Michigan has sent a questionnaire to insurance companies concerning their underwriting practices on Negro risks. This is an outgrowth of an issue that was raised during the recent session of the Michigan legislature. Gov. Williams appointed an insurance study committee to investigate allegations that wide-spread discrimination exists against Negroes and other minority groups.

The first question is whether the company insures Negro risks and if the answer is in the negative the company is asked to explain why. The question is asked whether a different rate is charged Negroes and if the answer is yes the insurer is requested to give an explanation. And there is the question whether the company issues a different policy for Negro risks and if the answer is yes an explanation is requested. Also the question is asked whether the company instructs its agents not to so-

licit Negro business and whether the company pays less commission on such risks. The final question is whether the company instructs its Negro policyholders to pay premiums at a particular branch office or agency.

Shelbyville District Wins Interstate L. & A. Laurels

For the fourth time since 1932 Interstate Life & Accident's annual award for the best record has been won by the Shelbyville, Tenn., district, under the leadership of Manager J. C. Edgar. The district also led on industrial increase and in ordinary production for the fiscal year just closed.

Mr. Edgar started with the company in 1924 as agent at Albany, Ga., and later served as manager there. In 1936 he was transferred as manager to Nashville and in 1937 assumed charge at Shelbyville.

As a further honor to the Shelbyville district, Assistant Manager Joe Ashley's staff won top honors to give him his first award. This staff also led its division in ordinary life production.

Clarence Warren of Shelbyville won the agent's award in his division. He has just been presented his 15-year service pin.

Recreation Building Given to Employees

Confederation Life Assn. has established a staff club in downtown Toronto, a complete building given over to the employees for social gatherings and low-cost entertainment.

Facilities at the club, which is run entirely by the employees, include a lunchroom, in which meals are furnished at a nominal cost by a Toronto catering firm, a lounge, recreation room, auditorium and card room, all furnished in the latest style by experts in design.

The building is a two-story red brick, across the street from the home office. The staff association represents about 600 members, with each contributing 50 cents a year to help defray expenses.

There are a staff library, dressing rooms and complete shower facilities.

NEWS BRIEFS

Unity Mutual Life & Accident has promoted B. F. Schubert to assistant manager at Santa Ana, Cal., and C. W. Rhoden to a similar position in Los Angeles.

New York Life has purchased from International Harvester Co. its general sales district office building in Des Moines, leasing it back to the seller on a long term net-rental basis.

The A. R. Klein agency of Home Life of New York at Chicago showed an increase of 24.8% for the first nine months. Production for September was 95.6% ahead.

Hubert McClellan, addressed the Seattle Life Managers Assn.

See Easing of Canadian Stock Investment Law

Legislation is expected in Canada which will make more than \$250 million of insurance funds available for investment in Canadian common stocks. The superintendent of insurance will recommend amendments to the act which covers investment in securities by British and Canadian firms doing business in the Dominion.

These amendments, which are expected at the next session of the house of commons, will legalize the purchase, or retention, of stocks previously eligible, but now excluded as a result of capital reorganization or stock splits not provided for in the old act.

At the end of 1948 Canadian life insurance companies had only 5.66% of their total assets invested in preferred and common stocks. Ten years ago this proportion was 12.99%.

3 Companies Lend 22½ Million

Associates Investment Co., which owns Emmco and Emmco Casualty of South Bend, has borrowed \$22.5 million from three life companies. Participations were Mutual Life \$10 million, Metropolitan Life \$7.5 million, and Penn Mutual \$5 million. The 4% loan

matures in 10 years. An annual sinking fund of \$1.8 million will start in October, 1953. Two outstanding issues of subordinated notes of \$15 million were refunded with the proceeds.

Ga. Commissioner Gives Mail Order Warning

"Mail order insurance companies" were blasted by Commissioner Cravey of Georgia in a public statement.

"I warn those who do business with such companies that their chances of collecting any claim is extremely doubtful," he said.

"All companies operating legitimately must register with the state insurance department, post a bond and appoint an agent for service with the state," he continued. "A policyholder with these companies can thereby get jurisdiction in Georgia if an action of law becomes necessary."

A "typical" case of mail order insurance, the commissioner said, involved a Georgia woman who filed a claim for a small amount with one of these companies. The company refused to pay and declared that it had no records of the policy, despite the fact that the woman had been paying premiums for several years.



"The Highway To Success":

Once the new agent has mastered the essentials of life underwriting, he has a good start along the "highway to success." However, as his career unfolds, he must be prepared to meet all kinds of "road conditions" along the way. For example, he should have thorough groundwork in programming. He should understand the complexities of the tax field. And he should know estate planning. These are problems upon which his prospects and policyowners will expect him to be well informed. CWSL's training program gives the new agent this material as soon as he is ready. The intermediate training course gives him a basic knowledge of programming. The advanced work covers the tax field and estate clearance. These courses, tied into practical field training, help the agent advance steadily along the road to full professional development.

★ We feel that the life insurance industry owes every new agent a better-than-even chance for success. This series outlines a few practices now followed by our Company which are designed to improve the new agent's chance for a successful career. It is published in the interest of free and open discussion. We shall welcome your comments.

California-Western
States
Life
Insurance Company



HOME OFFICE: SACRAMENTO
Now! Over \$500,000,000 in Force!

NEWS OF LIFE ASSOCIATIONS

Organize Indiana Caravan

Presidents of all Indiana local associations will gather in Indianapolis on Oct. 21 to organize plans for the 1950 caravan sales congress of the state association, according to Hastings Smith, CLU, general agent, New England Mutual, Indianapolis, caravan chairman. The first caravan congress in the state was run on an experimental basis in four centers last spring. Response to that congress, which drew 2,000, was such that enlarged plans are contemplated for this year. The Indianapolis gathering will include a dinner and a showing of the University of Illinois' strip film for high schools, first shown at the Cincinnati convention of N.A.L.U.

Chicago Council Meets

The first meeting of the advisory council of the Chicago Assn. of Life Underwriters will be held Oct. 14. William D. Davidson, Equitable Society, is chairman. Speakers will include Gerard S. Brown, Penn Mutual, national committeeman, and H. Kennedy Nickell, Connecticut General. Harry R. Schultz, president of the association will review current activities.

Atlanta Congress Oct. 21

The annual sales congress sponsored by the Atlanta Life Underwriters Assn., of which Luther H. Guest, Connecticut General, is president, will be held Oct. 21. O. C. Dobbs, district manager in Atlanta for Life of Georgia, is program chairman.

Pittsburgh, Pa.—Paul S. Mechling, Phoenix Mutual Life, Pittsburgh, president of the Pittsburgh Life Underwriters Assn., will address the Beaver Valley branch Oct. 19 at 6 p. m. at Beaver Falls. He has previously addressed the Fayette county, Washington, New Castle and Butler branches.

Columbus, O.—Wilbur W. Hartshorn, superintendent of agencies of Metropolitan Life, will speak Oct. 21 on "New Horizons in Life Underwriting."

Jackson, Tenn.—Aubrey Reed was installed as president; George Cowell, as vice-president; and Floyd Burrow, as secretary-treasurer at the initial fall meeting.

Milwaukee.—Judd C. Benson, president of N.A.L.U., will speak at the opening fall luncheon meeting Oct. 20. New officers elected in June, headed by J. Douglas Grannis, Jr., general agent Massachusetts Mutual, will be installed.

Manitowoc, Wis.—L. E. Balza, New York Life, Green Bay, trustee of Wisconsin Leaders' Round Table, stressed elementary graphic presentations to dramatize specific aspects of life insurance, with a chalk talk serving as the

basis for various presentations. There was also a discussion of the National life dividends.

Topeka.—Kenneth L. Reese, New York Life, Arkansas City, spoke at a breakfast meeting.

Fort Wayne, Ind.—An L.U.T.C. course will start Oct. 29. Joseph V. Clevenger is chairman. Thomas P. Riddle, Jr., New York Life, past president of the Fort Wayne Life association, will conduct the classes.

Albany, N. Y.—Daniel P. Cahill, supervisor of schools of Mutual Life, addressed a luncheon meeting Oct. 7. The meeting featured award of two C.L.U. certificates and L.U.T.C. diplomas.

Indianapolis.—Glenn W. Isgrig, Cincinnati manager of Reliance Life, spoke at a luncheon meeting.

Eau Claire, Wis.—Paul A. Parker, agency director Old Line Life of Milwaukee, discussed various aspects of selling life insurance in the present day market at the opening fall luncheon meeting of Chippewa Valley association.

Ashland, Ky.—John C. Grubb, manager of Commonwealth Life, reported on the N.A.L.U. meeting at Cincinnati.

Lexington, Ky.—The Fayette County Bar Assn. has been invited to meet with the association Oct. 2. An attorney for Ohio State Life will speak.

Washington.—The District of Columbia association has set up a speakers bureau headed by B. F. Rohlek, which is prepared to furnish speakers for civic organizations and other groups.

Workmen's Compensation for Widow of Murdered Insurance Man Is Asked

EAST ST. LOUIS, ILL.—Raymond Q. O'Keefe, an arbitrator for the Illinois industrial commission, has recommended that Mrs. Dorothy Heininger, widow of Howard A. Heininger, murdered Jerseyville, Ill., supervisor for the Metropolitan Life, be allowed a widow's compensation under the workmen's compensation act. It has been indicated that the allowance may amount to \$7,100.

Mr. Heininger was slain last April by two hitchhikers he picked up while en route to see a policyholder. O'Keefe held that because Mr. Heininger was driving his automobile in the interest of the life company he came under the provisions of the compensation law that employees killed or injured while working with "machinery" are entitled to compensation benefits. He indicated that Mrs. Heininger's claim was the first of its kind to be filed under the Illinois act.



NON-CANCELLABLE and GUARANTEED RENEWABLE
HEALTH and ACCIDENT INSURANCE

LIFE INSURANCE

GROUP LIFE and GROUP DISABILITY INSURANCE

THE Paul Revere Life
INSURANCE COMPANY
WORCESTER, MASSACHUSETTS

Is licensed and does business in the 48 states, the District of Columbia and Hawaii

AMONG COMPANY MEN

Quinn and Waldron Named Assistant Medical Directors

Two medical examiners, Dr. Edwin J. Quinn and Dr. Frederick A. Waldron have been advanced to assistant medical directors of Mutual Life. They have been home office medical examiners for two years.

Before joining Mutual Life in 1947 Quinn was an internist at Grace clinic



Dr. F. A. Waldron



Dr. E. J. Quinn

in Brooklyn, and a staff member in internal medicine at St. John's Hospital of Brooklyn and Brooklyn Thoracic Hospital. He is now practicing medicine in New York City and is an internist with the Central Manhattan Medical Group.

He served in the coast guard during the war. He was graduated from Fordham and New York Medical College.

Dr. Waldron is a graduate of Bowdoin College and Yale medical school and saw war service with the navy medical corps.

Meyers Leaves State Post to Be V-P. of Beneficial

LOS ANGELES.—Ray M. Meyers will join Beneficial Standard Life and Beneficial Fire & Casualty as vice-president of the two companies Nov. 15, following his resignation as supervising examiner of the California department.

Donald R. Luckman, former deputy commissioner and assistant to the chief of the compliance and legal section of the department, recently joined the companies as vice-president and general counsel.

Beneficial Fire & Casualty is a new stock company with an application for certification now before the department for authority to write fire and allied lines, automobile insurance and general and miscellaneous liability lines.

Meyers has for 29 years been engaged in examining, rate supervising and actuarial work in both the California and Minnesota departments.

Don't Limit Advice to Legal Maximum, SBLI Men Told

Savings bank life insurance personnel should not limit themselves, in advising prospects, to the \$5,000 limit imposed by New York law on SBLI, Hubert E. Davis, production manager of the Knight agency of Union Central Life in New York City, told the opening session of the managers forum of the New York Savings Bank Life Insurance Council.

Mr. Davis said that the best results can be had only by using some programming method.

"Just because you may not be able to satisfy all the needs that analysis discloses is no reason why you should avoid the analysis," he said. "You will be doing yourselves and your clients a grave injustice if you act as if the limit of life insurance is \$5,000. So far as you are concerned it will mean that you will rarely reach that limit—so far as he is concerned, you will give him a narrow and a false picture of what life insurance can do for him."

Bankers of Iowa Appoints Manager of Farm Loans

Eugene E. McAnelly has been elected manager of farm loans for Bankers

Life of Iowa. Mr. McAnelly has been chief farm appraiser for the company since 1948, and succeeds the late Frank Charlton.

Immediately after leaving Iowa State college, Mr. McAnelly joined Aetna Life in the farm loan division. He was a loan field man in Iowa for five years and a chief appraiser for 12 years.

Mr. McAnelly has served the American Society of Farm Managers and Rural Appraisers as chairman of the accrediting committee. He has been chairman of the American Appraisal Conference. He lectured on appraising on numerous occasions.

L. H. Savage President of Standard L. & A. of Okla.

Leonard H. Savage has been named president of the Standard Life & Accident of Oklahoma City to succeed the late W. R. Emerson. Mr. Savage launched his career as assistant to the late Commissioner Read of Oklahoma. He later practiced law, specializing in insurance.

F. M. Petree, who also started with Mr. Read, later entering legal practice, has been named vice-president. James E. Gavin has been appointed manager of the group department.

Howe Managing Director

Western Life of Canada has appointed Cecil W. Howe as managing director. He has been on the board for 10 years.

Fraser Assistant Actuary

Excelsior Life of Toronto has appointed George R. Fraser assistant actuary. He joined Excelsior in 1928 upon graduation from University of Toronto and has been senior actuarial supervisor for 10 years. He attained his fellowship in Society of Actuaries last spring.

Here's A Real Opportunity For Four Agency Training Men

One of the fastest growing life and health and accident insurance companies in the country is organizing an agency training department and wants four men who know personal insurance selling, who are successful in training and working with agents, who are young enough to have lots of fire, yet who are old enough to be well seasoned.

These men will concentrate their activities, one each in the north-east, south-east, north-west and south-west sections of the country.

Write today—tell us all about yourself.

T. D. EILERS, President

World Insurance Company
Omaha, Nebraska

LIFE AGENCY CHANGES

Atlantic Life Names Dennison at Richmond

Joseph L. Dennison has been appointed manager of Atlantic Life at Richmond.

A graduate of the Wharton School of University of Pennsylvania, Mr. Dennison has consistently ranked high among the company's producers. He is an army veteran.



J. L. Dennison

Great-West Designates Warden K. C. Manager

Great-West Life has appointed Kiah E. Warden manager at Kansas City. For 13 years, Mr. Warden has been an agent and assistant general agent. He was educated at the University of Missouri and was an army major. He was formerly with Connecticut General Life.

Jefferson National Names S. H. Quinn at Cincinnati

Stewart H. Quinn has been appointed manager for Cincinnati and southern Ohio by Jefferson National Life. Formerly with Northwestern Mutual, he was most recently field supervisor for Connecticut Mutual at Cincinnati. Before that he was in personnel and public relations work. He is a graduate of Ohio Wesleyan.

Opens Lakeland Office

American Home Mutual Life of Washington, D. C., has opened an office in Lakeland, Fla., under the supervision of E. W. Craig and with R. W. Jordan as Lakeland representative. Mr. Craig has had seven years' experience in insurance and has been with American Home Mutual since last January. He is director of agencies for Florida and Georgia. Mr. Jordan will graduate from Florida Southern College in December.

Reker Joins Farrar Agency

Frank A. Reker has been appointed brokerage manager of the Farrar agency of Connecticut Mutual Life at Chicago. He replaces E. R. Bates, who was recently transferred to Kansas City as general agent there. Mr. Reker joined the agency last January and before that was a salesman for Swift & Co. He is an alumnus of University of Chicago.

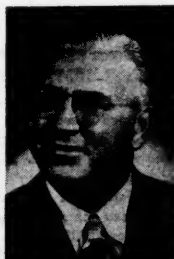
Opens New Tacoma Agency

Northwestern Life of Seattle has established a new general agency at Tacoma. General agents there are Marvin P. Shinnors and Floyd A. Nelson.

Lloyd G. Jackes has been appointed branch secretary at Los Angeles for Manufacturers Life. Lloyd W. Barclay becomes assistant agency secretary.

G. A. at L. A.

L. W. Hummel, whose appointment as general agent for Bankers Life of Nebraska at Los Angeles was reported in last week's issue, is a graduate of Nebraska University and played football there. Since 1943 he has been manager at Los Angeles for California - Western States Life.



Retires After 28 Years

John Kraus, manager at Erie, Pa., of Western & Southern Life since 1925, has retired after 28 years in life insurance.

He started with Western & Southern at Erie in 1921. Less than a year later he was promoted to associate manager and in 1925 was appointed manager.

Equitable Unit Managers Named

Recent unit manager appointments by Equitable Society include P. A. Lederer, Bronx, N. Y., G. M. Clements, J. A. Eisner and L. A. Kahn, all at New York City; F. J. Lanahan, Pittsfield, Mass., and H. F. Wild, Sacramento, Cal.

E. W. Kersten and R. E. Schuller have been appointed assistant managers at Peoria, Ill., and Oakland, Cal., respectively.

Ogden Becomes S. F. Manager

W. E. Ogden has been appointed manager for Jefferson Standard at San Francisco. Mr. Ogden joined the company in 1939 in the area. For two years he has headed the district office in Berkeley.

Mr. Ogden succeeds Myron E. Fairchild, who retires to devote full time personal production.

Robert C. Miller has been appointed a unit manager in the W. T. Earls agency of Connecticut Mutual at Cincinnati. He joined the agency in 1946 following military service. He became one of the leaders among the first year men and since has been a member of production and persistency clubs. He became a C.L.U. this year and ranked among the first 10 nation-wide completing the L.U.T.C. program.

Richard A. Hills has been appointed assistant general agent of Aetna Life at Atlanta. He was previously a personal producer and supervisor.

American Hospital & Life has opened an office at Bonham, Tex., with R. F. Manken, Jr., in charge.

AGENCY NEWS

F. D. Russell at Milwaukee

Agents of Security Mutual Life of Binghamton and a number of prominent Milwaukee business men, including several insurance company executives, were guests at a luncheon given for Frederick D. Russell, president, by Milton R. Pollard, Milwaukee general agent.

Mr. Russell said Security Mutual set a new production record Sept. 29, when the volume of business reached \$3,250,000. The Pollard agency contributed \$197,000. The big effort, he explained, came from a special around-the-clock selling day, with emphasis on midnight to dawn contact of all-night workers.

"This kind of selling produces very well," Mr. Russell explained. "Some persons contacted are suspicious, of course, but the operation could be highly productive if more salesmen could see the opportunities. We have such selling days only once or twice a year, but salesmen can try it on their own."

Celebrate Tri-Agency Race

President Alexander T. Maclean and Vice-president Chester O. Fischer were honored guests of Massachusetts Mutual's Minnesota agencies for a week-end celebration of a successful production contest. The general agents, Frank T. McNally, Minneapolis; John J. Steger, St. Paul and C. C. Liemandt, Duluth, together with John Shambeau, general agent emeritus, were hosts to the company officers, and to agents making their July-August quotas. The celebration was at Mr. McNally's summer home on Gull Lake. The tri-agency production race proved so successful that the general agents plan to make it an annual feature.

Theisen Agency Rally

The Denver agency of Northwestern Mutual Life held its annual meeting this week. Ralph L. Theisen is general agent. The home office was represented by Grant L. Hill, vice-president and di-

rector of agencies; Laffin C. Jones, assistant director of agencies, and Harold W. Gardiner, educational director.

Dickey Has \$503,000 Sept.

The Allen L. Dickey agency of Great-West Life at Beverly Hills, Cal., paid for \$503,000 in September, its 16th month since opening. The agency is well on the way to its goal of \$5 million for its second full year of operation.

Andersen at Des Moines

Edward C. Andersen, superintendent of agencies of Connecticut Mutual Life, attended a meeting of the Sherry R. Fisher agency at Des Moines. Members of the Paul C. Otto agency at Daventryport also attended.

British Policyholder Group Active on Nationalization

The Insurance Policyholders' Assn. of London has sent out a circular letter on the proposals of the Labor party to "take over" industrial life insurance and is soliciting the cooperation of all agents in England, continental Europe and the United States.

The association states that its primary concern is to study the whole question of nationalization from the point of view of the policyholder and states that it will gladly cooperate with the companies whenever their interests coincide with those of the policyholders.

The association states that it will represent the policyholder before any governmental committee where policyholders' interests are in any way affected. It will consider, report upon and either advocate or oppose legislation—including nationalization—in the interests of insurance policyholders.

The association plans to conduct an educational campaign among policyholders and the public with the object of bringing the gap that has hitherto existed between the insured and insurer and states that it will "be of immense use to the insurance agent and will enhance his position and assist him to mobilize the opinion of the people who have trusted him."

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG, CANADA

**LIFE GROUP ANNUITIES
ACCIDENT AND HEALTH**

NEWS OF LIFE COMPANIES

B.M.A. Issues Book on Its History

Business Men's Assurance has issued a handsome illustrated book recounting the first 40 years of the company's history. There is a frontispiece photograph of W. T. Grant, chairman and founder. The dedication, by President J. C. Higdon, emphasizes the spirit of teamwork between home office and field in the mutual interest of policyholders. The book, "The Score at Forty," is dedicated to Mr. Grant.

Besides recounting B.M.A.'s four decades, the book contains pictures of the board of directors, branch managers, presidents of various honor clubs and there is a statistical table devoted to a year-by-year showing of the company's progress in assets, income and life insurance in force.

The book was produced by Jack R. Morris, B.M.A. director of publicity.

Midland Mutual Honors Quarter Century Club

Nineteen veteran members of Midland Mutual's field organization who are members of the company's Quarter Century Club were honored recently with diamond service pins. Herman P. Jeffers, Columbus, O., general agent, is the dean of the field men.

Managers Offer Ideas

Metropolitan Life this week held its fourth annual home office conference designed to advise executive officers regarding possible means of improving Metropolitan's operations and facilities.

Two managers from each of the company's 13 territories attended. All managers were invited to pass on to their two representatives any suggestions or questions that they wanted to have considered at the conference.

Company Enters Delaware

Provident Indemnity Life of Philadelphia has entered Delaware and opened an office in Wilmington under I. S. Hench, formerly assistant manager for the company at West Chester, Pa. Mr. Hench joined the company in 1928 and at one time was district manager in Pittsburgh.

W. W. Caldwell has been transferred from manager of home office agents to district manager at Erie, Pa. He is

succeeded by R. F. Voegtle, formerly assistant manager of home office agents.

General American Drive Has Football Motif

General American's president's month campaign, with football as its theme, has got under way. The object is to make the "All General-American team" by being one of the top 11 in the contest. Each winner will be awarded a gold-plated football trophy. Ranking will be on individual life volume paid for under campaign rules. An illustrated "official program" with a full-color cover illustration gives the agents the data on the campaign.

Life of Ga. Builds in Macon

Life of Georgia has contracted for construction of a one-story brick office building at Macon, Ga., to house its office there middle Georgia headquarters. The project is designed to guide plans for similar company-owned district office buildings in principal cities of the south. The building will be at Walnut and First streets at the edge of the downtown section.

Discuss Group Retentions at N. Y. Dept. Hearing

At the hearing of the New York department on group retentions several suggestions were heard for inclusion in a proposed ruling affecting guarantees to group policyholders. There have been differences between life and accident and health companies as to how so-called guarantees under the policies should be regulated. The differences arise from the life company practice of returning dividends at the end of the year after claims and costs have been met while the A. & H. companies have used a retrospective rating plan. The rule will require that policyholders be informed that dividends or experience rating refunds are not guaranteed and that they are fully subject to change by the insurers.

The subject is quite complex and the department may take a month or more before issuing a ruling.

Life Agency Cashiers of Chicago will hold their annual dinner meeting on Oct. 18.

New officers will be installed.

Horace Greeley's "Go West Young Man" Is Still Good Advice.

A REAL OPPORTUNITY FOR WELL-TRAINED YOUNG LIFE INSURANCE MEN IS NOW OPEN FOR YOU IN THE WEST

We are a progressive Colorado Life Insurance Company with multiple line affiliations, and we want 10 District Managers in Colorado and New Mexico.

These Managers will be paid definite salaries ranging from \$1500.00 to \$4000.00 annually, based on business now in force in the respective territories. They will also receive full commissions on personal production and an overriding commission on the production of their agents.

No shortage of prospects ever exists because all lines are available, including Ordinary, Industrial, Intermediate, Group and Credit Life Insurance; the same classifications of Accident and Health and Hospitalization, and in addition, Fire, Casualty, Marine and Hull.

If you can qualify, you will have a man-sized job with large income possibilities right from the start.

Only applicants between ages 24 and 36 will be considered. You must have good basic education and life insurance training (we will teach you the other lines). Years of experience are not necessary. One to three years are sufficient and preferable.

We are seeking young men now working under uncertain commission contracts, who desire to earn, immediately, from \$5000.00 to \$15,000.00 a year and are willing to work for it.

Only letters or applications giving full details of company connections, earnings, education and experience, age and marital status, will be considered. All replies will be held in strict confidence. A frank statement of your personal financial condition will be helpful, but is not required at this time. Address Y-96, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



Equitable Reserve officials attending N.F.C. meeting—Norton Williams, president; M. R. Ridgway, secretary; Leon H. Tolverson, manager mortgage loan department; R. Gordon Pape, supreme auditor; Dio W. Dunham, publicity manager.

SALES MEETS

600 Prudential Ordinary Agents Meet in New York

More than 600 managers and agents participated in the Prudential annual three-day ordinary agencies business conference in New York.

Carroll M. Shanks, president; Harold M. Stewart, executive vice-president; Sayre MacLeod, vice-president ordinary agencies; Harry J. Volk, vice-president western home office; James E. Rutherford, vice-president district agencies; Edmund B. Whittaker, vice-president group, addressed the delegates. W. Jackson Letts, second vice-president, presided.

At the sessions on field training and sales promotion the speakers were Howard A. Austin, Jr., director of field training; Kenneth L. Brooks, assistant director sales promotion; John A. McCelvey, manager at Fort Worth, and Robert F. Sevrá, Kansas City.

Frank B. Falkstein, manager at San Antonio acted as moderator at a panel on field activity.

The Chartered Life Underwriters Assn. of Prudential held a luncheon.

N. Y. Life Star Club Meets

Some 300 attended the three-day southeastern division meeting of the New York Life Star Club at Roanoke, Va. Romney L. Campbell, superintendent of agencies presided. Dudley Dowell, vice-president, made the feature address at the final business session. James Dunning, supervisor of advanced training, presided over a panel.

Shenandoah Holds Class

There were 12 Shenandoah agents who attended a three-day sales course at the home office. The course was conducted by B. S. McEuen, senior consultant of Life Insurance Agency Management Assn., G. N. Dickinson and E. Dudley Colhoun, directors of agencies, Charles C. Camp, agency secretary and G. Frank Clement, manager of the home office agency.

Agents of the A. E. Osterheld agency of Central Life of Iowa at Stoughton, Wis., met for a one-sale sales session. Twenty agents from southern Wisconsin and northern Illinois attended.

Await Mo. Supreme Court Word in General Am. Case

Although the Missouri supreme court did not issue a preliminary writ Oct. 7 in connection with the filing by General American Life of a petition to bar Circuit Judge Russell of St. Louis from continuing to preside at the hearing of a case involving the final settlement under the management contract between General American and the old Missouri State Life, Judge Russell has agreed not to conduct further hearings until the supreme court does act. It is believed the supreme court will take action before the week is out.

General American charges Judge Russell with "bias and prejudice."

General American's management period of the Missouri State Life account terminated Aug. 31, 1948 and General American's final accounting was approved by Superintendent Jackson. However, a number of stockholders of the old Missouri State intervened in opposition to the report, objecting especially to the reserve valuation method employed. General American and Superintendent Jackson insist that the gross premium method is correct, whereas the old stockholders want the reserve set up on the 1933 basis. On the former basis there is surplus in the account to give stockholders \$4 a share, whereas they would get \$24 if the lower reserve basis were allowed.

Plan Texas Code Hearings

Hearings on the proposed Texas insurance code will commence at Austin, Nov. 7. The Texas code commission created by the legislature, held its organization meeting Oct. 3. It plans to hold public hearings once a month, covering two chapters of the code at each session. There are 18 chapters in all. Report to the legislature will be made in 1951. George B. Butler, life insurance commissioner of Texas, is chairman of the commission.

SENIOR IBM — PROCEDURE WRITER

One of the largest progressive midwestern insurance firms offers an opportunity for a man under 40 with managerial ability and knowledge of ALL IBM MACHINES. Prefer a college graduate who has thorough knowledge of insurance business. Give complete personal, educational, and work histories. All replies confidential. Address W-19, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Older Risk Problem Before A. & H. Forum

(CONTINUED FROM PAGE 6)

ment from the floor. They were discussing the merits of the package type, the schedule type and the basic policy with coverage riders.

Mr. Mills reported that the package policy is still the most common type in the industry. He said it has the advantage of being simple to fill out. On the debit side, Mr. Hills was of the opinion that people gainfully occupied today must be offered a great variety and flexibility in A. & H. coverages. If this is the case, he said, use of the package policies requires that a great supply of different policies must be kept on hand creating complicated and expensive printing problems and a great variety of kits which must be pushed by the individual company.

As far as offering a great variety and still preserving essential simplicity of forms, Mr. Hills was in favor of the basic policy with coverage riders. With such a policy, the agent can prepare in advance the type which he thinks will best fit the needs of his policyholder. He need deal with only one basic policy and the rider is simple for the agent to understand. He admitted that a disadvantage of the basic policy with riders is that it requires more care and time to prepare and that the number of riders necessarily complicates the procedure.

On the score of the schedule policy, Mr. Hills commented that it offers flexibility, economy, and easy wording for both the agent and the prospect. He numbered as a disadvantage for this type of policy the fact that the customer has before him on the face of the policy, many of the benefits which he won't have, unless he elects to take the full policy.

Takes the Other View

Taking the other point of view, Mr. Siegmund thought it was an advantage to have the policyholder see everything that he might have had. An agent who handles a schedule interview properly will take himself off the hook by emphasizing that the policyholder on his own responsibility has elected not to take full coverage. The scheduling on the policy of many items of coverage which he might have elected will serve to cause the policyholder to wish to broaden his policy, or to realize his own responsibility for lack of coverage in case of a non-covered contingency.

Mr. Siegmund commented that the buying public has been very well educated to the schedule policy through the automobile coverages.

On the other hand, Mr. Siegmund saw as both a disadvantage and an advantage the fact that schedule policies call for home office records which are considerably more complete than those which the package type calls for. This means extra work but, on the other hand, it means that the clerk will not

have to know automatically what coverage is contained in XYZ policy. He can look at the records and see precisely what is covered and what is not.

Mr. Siegmund commented that a disadvantage of the basic policy with coverage riders is that each rider must be countersigned. Riders are of various sizes, the separate states have different rider requirements which makes the basic policy plus riders a rather unattractive package. He felt that a package plan is too complex when there are many different packages. It is too hard for clerks and agents and claims people to know what each one of the policies with peculiar company nomenclature contains.

Non-Occupational Coverage

Gerald S. Parker, Preferred Accident, drew the job of outlining the procedure of his company on non-occupational coverage. He said that Preferred Accident does not write non-occupational on all classes, sticking only to D, E, F, G, H and avoiding hazardous occupations. His company has no objection to writing firemen and policemen, for example, feeling that there is no extra hazard in their off-duty hours, though he admitted that many such public servants are given greater salary allowances during times of illness or accident.

Mr. Parker testified that his company will not write non-occupational on farmers and others not covered by workmen's compensation. All their risks must be covered on a 24-hour basis. His company feels that the limits on non-occupational should not exceed the workmen's compensation benefits by much. Without further comment, he raised the question that class A is perhaps not the proper non-occupational rate and one man rose to say that his company uses class B rating exclusively.

Three scheduled sections of the forum were not given, due to the absence of section leaders. Laurence B. Soper, Connecticut General, had to leave the meeting early so the discussion was bypassed on the trends in underwriting female risks for accident and sickness. C. E. Stevens, Standard Accident, was unable to launch a discussion of coverage offerings on an optional basis, because his wife was having a baby. E. Reginald Brock of the Great-West Life, who was scheduled to lead the discussion of sub-standard business, was unable to attend the meeting.

Form Charleston Unit

Charleston, W. Va., Assn. of A. & H. Underwriters has been organized with C. O. Snyder, state manager for Educators Mutual, as temporary president. Wesley Jones, executive secretary International Assn. of A. & H. Underwriters, will give a talk Oct. 27.

NEWS ABOUT LIFE POLICIES

Juvenile Dividends Shown for New Policies

Prudential has announced illustrative dividends for its two new juvenile policies, death benefit of which equals the total premiums paid with 3% compound interest. The plans are issued in New York only.

Age	20 Payment Life		Life Paid-Up at 65	
	2nd Year Div.	20 Year Total	2nd Year Div.	20 Year Total
0	\$2.80	\$92.64	\$1.57	\$54.39
1	2.81	93.58	1.58	55.45
2	2.87	94.65	1.67	56.61
3	2.81	95.66	1.61	57.65
4	3.69	96.73	2.49	58.76
5	3.60	96.89	2.43	58.98
6	3.53	96.87	2.36	59.07
7	3.46	96.70	2.31	59.22
8	3.39	96.74	2.26	59.58
9	3.34	96.85	2.23	59.73

Increase D. I. Age Limits

Central Life of Iowa will now grant the accidental death benefit provision from insurance age 10 to 55 inclusive. The limits previously were 15 to 55. The accidental death benefit retention, ages 10 to 19, is \$5,000; ages 20 to 55, \$10,000.

Issues Mortgage Protection Plan

Illinois Bankers is now issuing a mortgage protection policy with \$5,000 initial insurance, reducing to \$1,000 after 20 years and continuing at \$1,000 for life thereafter. Level premiums are payable during the lifetime of the insured. Waiver of premium disability and accidental death benefits may be added, but the accidental death benefit will be for the ultimate amount of insurance only.

Issues Business Provider Contract

Jefferson Standard Life has brought out a participating whole life paid-up at 85 policy designed primarily for business insurance.

The minimum amount of the policy is \$10,000, except that in connection

with a profit sharing trust, policies may be issued down to \$5,000. The maximum amount will be limited to \$100,000.

Illustrative annual premiums per \$1,000 are: age 25, \$20.84; age 35, \$27.67; age 45, \$38.72.

Globe Adds 30 Premium Savings

Globe Life of Illinois is now issuing a 30 premium savings policy in addition to its 20 premium savings plan.

The cash value of the 30 premium savings policy at the end of 30 years is equivalent to 30 annual premiums. Additional options at the end of 30 years are \$1,000 paid-up life insurance and cash or paid-up life insurance for an increased amount, the latter subject to evidence of insurability.

Hits Bureaucratic Waste

Government waste and inefficiency are frittering away the public's tax dollars, plunging America toward national economic suicide, Julian S. Myrick, assistant to the chairman of the Citizens Committee for the Hoover Report, told the Newark C.L.U. Pointing out that the average citizen must work 61 days a year, to pay taxes, he said that "further spending now in process and seriously proposed will take another 20 days from Mr. and Mrs. Average Citizen. Preceding his speech, Mr. Myrick presented C.L.U. diplomas to local members of the June class.

Construes Ky. Tax Law

At the request of two life insurance beneficiaries, the attorney general of Kentucky has given a ruling on the applicability of the Kentucky intangibles tax. This was that a beneficiary receiving only the income from a policy, either for life or an indeterminate period must pay a tax at the rate of five cents per \$100 of valuation while the daughter, who received the policy outright under an income settlement, has to pay a 25 cents per \$100 rate.

R. B. Richardson, Western Life of Montana, past president of A.L.C.; R. S. Haggman, Kansas City Life; and W. E. Bixby, Kansas City Life, president of A.L.C., at its Chicago meeting.

THIS COULD BE Your STORY.....



LORENZO D. THOMPSON, GENERAL INSURANCE AGENT OF JEFFERSON CITY, MISSOURI, WAS SERIOUSLY INJURED IN A BUS-AUTO COLLISION.



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OF Omaha

More than \$250,000,000.00 paid
in benefits

More than 2,100,000 Policyholders



THE WORLD'S LARGEST EXCLUSIVE HEALTH AND ACCIDENT COMPANY

N. Y. Law Big Topic Before A. & H. Bureau

(CONTINUED FROM PAGE 2)

sion of actuarial and statistical problems.

Following their presentations, there was a flood of questions from the floor, which the panel members endeavored to answer.

Chairman Bidle in his address reviewed the growth of A. & H. insurance premiums, comparing it with the increase in population and national in-

come and its unique position as regards public relations. He commented on the work of the bureau and especially the additional services which have been set up. He spoke of the importance of its statistical work and referred to the variations in claim ratio from the standpoint of size of policy which have been developed.

Approval of some features of the new minimum benefit law of California

was voiced by Mr. Cox, in his talk on "New Legislation Enacted and Proposed." He referred particularly to the section that prohibits any provision for payment of loss caused by a particular event or events of an amount more than three times the lowest amount promised by the policy for the same loss caused by any other event, or payment for disability caused by a particular event or events for a term more than twice the least term of payment provided by the policy for the same degree of disability caused by any other event.

"This approach to a further improvement in A. & H. policy forms is, to my way of thinking, good," Mr. Cox said. "It is aimed at correcting the same type of practice in writing policies that some of the proposed federal trade commission rules are aimed at, but whereas on these points the proposed rules deal only with advertising, the California statute goes to the root of the matter in the policy form itself. . . . I hope that the industry as well as regulatory authorities will give careful consideration to that type of statutory restriction, which I believe will do much to eliminate one of the chief causes of criticism of our business and to increase public confidence in it."

Favors Single Regulatory Law

In connection with the revision of the standard provisions law, he said it would be highly desirable to have this question settled, but suggested that in many ways it might be desirable to combine that measure, the so-called all-industry bill already adopted in many states, and some parts of the California law, so as to have only one regulatory law for A. & H. insurance instead of three. He said this would help to unify administration as well as the law itself. He favored a plan under which commissioners of two or more states having similar laws could agree that policy approval in one state also would bring approval in the other.

Mail Order Problem Reviewed

Mr. Cox reviewed the problem of mail order A. & H. insurance, stating that advances have been made along that line and emphasizing the fact that any action that is taken should not penalize mail order insurers operating on a legitimate basis such as the commercial men's associations. He took up the proposals before FTC and the various laws that have been proposed. He emphasized that the responsibility really lies with the insurer's home state insurance department and expressed the hope that better results along that line can be obtained.

In taking up state cash sickness plans, he said they are primarily group A. & H. insurance and reviewed the progress made in that field. He praised the New York law as being a more truly competitive system. He said collective bargaining has to be taken into consideration. He stressed that private plans are more adaptable to meet specific needs and said that point should constantly be kept before the public.

Business Development Session

Because the discussion of the New York TDB law took up so much more time than was expected, the round table discussion on business development, under the leadership of H. L. Graham, Manufacturers Casualty, originally scheduled for Monday afternoon, was put over to Tuesday afternoon, which had been left open by the program makers.

Topics considered at that session included: How do you get agents out of the office?; production by top department men; A. & H. specials at key points; appointment of A. & H. only agents; contests and bonuses; advertising material; simplified forms, rates, etc., and education.

Participants in the discussions included Merle Thompson, Standard Accident; Paul H. Rogers, Aetna Life; John F. Lydon, Ocean Accident; William L. Kick, Fireman's Fund Indemnity; Gerald S. Parker, Preferred Acci-

dent; Glenn Lamar, Reliance Life; Paul W. Stade, Lumbermen's Mutual Casualty; Robert J. Sullivan, Travelers; Fred T. Corby, Home Indemnity; D. J. Moe, United States Life; R. L. Hills, Great American Indemnity; William Wolny, Commercial Casualty; B. L. Sichelstiel, Reliance Life; Neil Brown, Hartford Accident; A. M. Ulrich, Pacific Mutual Life; Logan Bidle, Aetna Life; Austin J. Lilly, Maryland Casualty; O. F. Siegmund, General American Life.

Medical Development Reviewed

In a review of the influences of recent developments in medicine and surgery on A. & H. underwriting, Dr. Ralph M. Filson, medical director of Travelers, said established coronary diseases and diseases of the central nervous system are still uninsurable risks. He regards recent attacks of rheumatic fever and valvular heart disease of certain types in a similar light, although exceptions may be made for limited coverage and at younger ages for the latter.

He said use of a scarce glandular substance has had amazing results "and we may see chronic arthritides whose history will permit consideration for both accident and health insurance."

Recurrent or progressive eye diseases will lead to excessive losses in spite of therapeutic developments, he believes, but severe head injuries are insurable, provided a one-year waiting period has revealed no complications.

Some Diabetics Insurable

Diabetics are insurable for accident coverages and perhaps modest amounts of health, provided the diabetes is not severe and they have the intelligence to follow a treatment program, Dr. Filson said. Developments in infectious types of disease, pneumonias, sinusitis, mastoiditis, peritonitis have permitted some liberalization in acceptance.

Surgical treatment of hypertension is not sufficiently developed to permit underwriting, he warned.

He did not advise considering risks involving psychoses or psychoneuroses. "Advances on many fronts are broadening our opportunities," Dr. Filson concluded. Initially, more or less academic judgment is required but the collection and study of statistics covering experience should give the answer as to the soundness of these judgments.

Dr. C. A. Kulp, professor of insurance at University of Pennsylvania, also spoke the final day on "Accident & Health Must Take the Long Look."

Estate Talk to Accountants

L. E. Balza and E. C. Schroder, life agents at Green Bay, spoke at a dinner meeting of the Northern chapter, Wisconsin Society of Certified Public Accountants, at Marinette. They emphasized the financial aspects of estate planning, exploring the problems and solutions incident to liquidity needs of an estate, advantages of pre-administration of an estate to bring out problems that may arise, the correlation of will and trust thinking with insurance planning, particularly when it is pertinent to the wife's income; financial aspects of a continuing business operation, including buy-and-sell agreements, and marital deduction features of the tax law.

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Inquiries invited

Fidelity

LIFE ASSOCIATION

FULTON, ILLINOIS

California Issues UCD Hospital Rules

(CONTINUED FROM PAGE 3)

word "physician" give the same definition as exists in the disability insurance act for purpose of execution of medical certificates for weekly indemnity insurance. Thus the term includes not only medical doctors, but also osteopaths, chiropractors, dentists, optometrists and certain other practitioners acting within the scope of practice authorized in their license.

Definition of "Day"

The term "day" is defined for the payments while confined in the hospital to mean a 24-hour period. This differs from the previous definition of regulations defining day to be period from midnight to midnight. Thus some practical difficulties still remain to be resolved since the earlier rule still exists for the qualification for weekly indemnity. It is expected that the two concepts of day will be resolved in favor of the claimants by the private carriers, but the state administration may find difficulty in administering the two different definitions.

Legal Problem Arises

Arising out of the fact that the act as written is not a "hospital indemnity" as such the regulation defines the weekly indemnity that the individual is entitled to plus the benefit of having the waiting period waived from and after the day in which the claimant enters the hospital as "basic" benefits and refers to the hospital benefit as "additional" benefits. These terms which are peculiar to the act and do not coincide with the usual language of insurance will, undoubtedly, cause some confusion among claimants for a period of time.

A technical, legal problem has arisen in view of the fact that Sec. 90 under which regulations are authorized to be adopted was changed at the last session of the legislature. The section does not expressly authorize the adoption of "emergency" regulations. The administrative procedure act, however, does authorize the adoption of emergency regulations. The department, on the basis of an attorney general's opinion has promulgated these regulations together with one relating to the authorization of out-of-state physicians executing medical certificates as "emergency" regulations. The other regulations necessitated by changes in the unemployment insurance and disability insurance act have been scheduled for public hearing Nov. 5.

Labor Wants Private Plan

The opinion has been expressed by Charles Scully, representative of the state federation of labor, that the department lacks authority to adopt any regulations on an emergency basis.

The indemnity relating to confinement in the hospital will commence as to persons confined to the hospital on and after Jan. 1.

Some observers calculate that the new hospital benefits will amount to from 20 to 22% of the premium. Some believe that those plans providing \$40 per week will have to be trimmed down to \$32.50 in order to provide a margin for the new hospital benefits. These revisions may be difficult to accomplish because consent of employees has to be obtained. The federation of labor has been gunning for plans that are privately insured, seeking to get their members to oppose the institution of new private plans and to withdraw their consent to old plans. It is understood that some of the labor elements want to put the kibosh on private plans under these state schemes because if a federal health insurance program eventually comes about and there is a pattern of recognition of private insurance at the state level, it would open up the possibility of providing for voluntary plans at the federal level.

ACCIDENT

Reliance Life Now Offers A. & H. Without Life Cover

A. & H. insurance now is offered independently of life insurance by Reliance Life. Since 1913 when Reliance first brought out its A. & H. policies, they had been available only to life insurance policyholders. Now they can be written with or without life insurance.

Announcement of this was made together with a new compensation plan on A. & H. business at the four regional conventions held by Reliance. The new plan materially increases A. & H. commissions through a bonus payable at the end of the calendar year to those whose paid for A. & H. premiums meet a minimum requirement of \$500 during the year.

The bonus plan was made retroactive to Jan. 1 for those who pay for the minimum required this year. Many agents had qualified for this bonus before it was announced.

Doctors Would Aid All Forms of Voluntary Health Cover

MILWAUKEE—Voluntary health insurance, whether controlled by doctors, hospitals, cooperatives or commercial insurance companies, is the answer to federal compulsory health insurance proposals, speakers at the convention of Wisconsin State Medical Society here emphasized.

Dr. J. W. Truitt, Milwaukee, president-elect, said Wisconsin leads the nation in legislation to protect the subscriber to company-sponsored medical-surgical care plans and that the doctors of the state should agree to means of assuring the consumer subscriber the same protection and freedom as they could obtain under medical society sponsored plans.

A resolution was submitted by Dr. Karl H. Doege, Marshfield, outgoing president, urging the society to conduct a study of the income of individuals and families in Wisconsin to determine "realistic levels" of income limits for full payment features of prepaid medical care plans. Doctors now accept the scheduled plan benefit as full payment for surgical services when the person covered has an annual income of \$2,000 or less if single, and \$3,600 or less if married. Some states have raised this level to \$5,000, Dr. Doege reported.

Judge Herman Van Dee Zee addressed a luncheon meeting Tuesday of A. & H. Insurance Managers Assn. of



San Francisco. Charles B. Stumpf, president of International Assn. of A. & H. Underwriters, will be present for the November meeting.

New Orleans Mayor Gives Assist to Agents

Insurance agents of New Orleans the past two weeks have enjoyed quite an assist in selling hospital and surgical coverages due to the fact that this period was proclaimed by Mayor Morrison as "Hospital Insurance Period." The proclamation that was printed in newspapers in the form of advertising, states that most people lack the funds to meet unexpected hospital costs and that insurers provide hospital and surgical cover, and the mayor urged the citizens to procure such protection.

Hold Ohio Congresses

Toledo Assn. of A. & H. Underwriters held a sales congress Monday with Charles B. Stumpf, Madison, Wis., president of the International association; Wesley J. A. Jones, Chicago, executive secretary, and Charles U. Pugh, Loyal Protective Life, president of the Ohio association as speakers.

The Akron congress was held Tuesday. Speakers included Mr. Stumpf, Carl A. Ernst, North American Life & Casualty, St. Paul, treasurer of the International association; J. E. Harriman, Illinois Bankers Life, Youngstown, and Sidney Fields, Cleveland, chairman of the Leading Producers Round Table.

Hear Blue Cross Man

Kansas Assn. of A. & H. Underwriters held its opening fall meeting at Wichita with Sam Barham, state manager of the Blue Cross, Topeka, as speaker, followed by a question period. Retiring President Claude Jackson, Interstate Assurance, gave a report on the membership campaign which won the

Newly elected officers of N.F.C. Secretaries Section — Fred C. Mueller, Lutheran Brotherhood, vice-president; Mrs. Josephine Weigl, Women's Catholic Union of Foresters, secretary; Otto Hanson, Independent Order of Svithoid, president, and George H. Crowns, Catholic Order of Foresters, past president.

National association Cup for the Kansas association.

Hear Motors Sales Manager

Merritt D. Hill, general sales manager of Dearborn Motors Corp., addressed Detroit A. & H. Assn. at its meeting Oct. 11 on "Accidental Selling Is Out."

FRATERNALS

Musalo Named Brooklyn Manager of Maccabees

The Maccabees has appointed Anthony P. Musalo Brooklyn manager, with offices at 189 Montague street. He is a native of Brooklyn and he attended New York University. Mr. Musalo has been active in civic and social organizations. He has been in life insurance 14 years, the last six years in a supervisory role with Manhattan Life.



A. P. Musalo

Milwaukee Assn. Elects

Miss Cecilia Stankiewicz, Polish Assn. of America, was elected president of the Milwaukee Fraternal Life Underwriters Assn. Others elected were C. G. Lawler, Catholic Order of Foresters, vice-president, and Mrs. Lillian M. Sharen, Degree of Honor, secretary-treasurer.

A. P. Van Someren has retired as high secretary of Canadian Order of Foresters.

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Employee Benefit Plans

RICHMOND

ATLANTA

Effects of TDB Laws Listed

(CONTINUED FROM PAGE 2)

benefits must be payable in each of 26 weeks for disabilities that last that long. This requirement forces a liberalization of the plan in regard to duration. Mr. Chislett said that some state disability legislation may require the payment of benefits under circumstances not requiring benefits under private plans, for example, a disability growing out of the misconduct of an employee. In New Jersey, unless the misconduct is serious enough to constitute a high misdemeanor, benefits are payable on account of the resulting disability.

SPLIT PLANS

Since the passage of disability benefits legislation, employees have the right of appeal to a state agency if they think the private plan is not paying the benefits required by the law. This has led companies with plans more generous than the law requires to split their plans in two. The first part of the split plan, issued to meet the requirements of the law, offers to employees only the minimum benefits required by the law, he said. The second part of this split plan offers voluntarily whatever additional benefits the employer may want to give and is not submitted to the state for approval under the law. In this way the companies submit to the jurisdiction of the state only the barest minimum required by law leaving themselves free to make their own decision in regard to other benefits not required by statute.

Contracts with Unions

A type of existing private plan which received little recognition until the passage of the New York law was that under which the employer had a contractual obligation to maintain for some period after the effective date of the state law. Such plans usually are embodied in labor contracts. California gave no recognition to those plans while New Jersey allowed them to continue until the earliest date the employer could terminate them. In New York these plans can meet indefinitely the obligations imposed by the disability law without any regard to the amount of benefits they provide.

N. Y. APPROACH

The New York law, he said, gives far more recognition to existing plans than any other law passed thus far and treats the social problem with the private plan approach. It not only recognizes the value of private plans but seems to realize that the general problem of unemployment caused by disability is susceptible to different solutions. New Jersey and California only recognize those private plans which meet the problem of disability in the rigid manner required by the law. New York has adopted the principle that something other than \$26 for 13 weeks may be equally valuable to the disabled employee and has provided alternatives to that schedule which are acceptable under the law. The state does not attempt to interfere with the private plans which are in existence as the result of collective bargaining. It provides that the legal obligations of the employer are regulated by the terms of the collective bargaining agreement and not by the stipulations of the disability benefits law. This state of affairs continues until the earliest date the employer can discontinue the agreement but if the employer and employees choose to extend the agreement with or without modifications, it will continue to take the place of the law. The collective bargaining plans must have been in effect on April 13, 1949. For example, suppose a plan was in effect which required that the employer pay \$20 a week for 13 weeks. Such a plan would meet the requirements of the law until it terminated, say on Dec. 31, 1950. On that date if the employees decide through their union or association that they would rather

have \$20 per week for 13 weeks at no cost to themselves in preference to the statutory benefits at some cost to themselves, and the employer agrees, then the plan can be extended indefinitely.

The law only requires that benefits be at least as favorable as the disability benefits provided by the law. For example, a plan in which the employer offers \$52 per week for 6½ weeks rather than \$26 per week for 13 weeks should qualify under the law. A plan of that type will be much more favorable to employees because a great majority of illnesses are of short rather than of long duration. Any plan which offers relatively large sums of money in benefits for short periods of disability is much more advantageous to the average employee than one offering relatively small payments over potentially longer periods of disability.

State Officials Favor Restrictions

(CONTINUED FROM PAGE 2)

with the insurance department, represented the state government at the dinner. The principal speaker was Edward McFaul, Northwestern University, whose inspirational address in a humorous vein was entitled "So You Think You're Slipping." R. M. Vetter, Continental Assurance, Madison, Wis., was toastmaster. The committee on arrangements was headed by C. C. Klocksin, Northwestern Mutual Life. Executives of domestic companies attended.

Following a final session of the commissioners Saturday morning, the group went to Madison where they were guests at a reception and luncheon attended by department personnel and representatives of Madison insurance companies and agencies. Later the commissioners were Mr. Lange's guests at the Wisconsin-California football game.

Atlanta Council Elects

Atlanta Life Insurance & Trust Council has elected S. Russell Bridges, Jr., Provident Mutual, president; Henry Maddox, Aetna Life, vice-president; Archie Adamson, trust officer of the C. & S. National Bank, secretary; and J. K. Martin, Jr., Life of Virginia, treasurer. Virlyn Moore, Jr., Fulton National Bank, and P. L. Bealy Smith, Connecticut Life, were named to the executive committee. N. Baxter Maddox, First National Bank, former Atlanta general agent, heads the American Bankers Assn. committee on cooperation between agents and trust officers.

White's Speech Reprinted

So numerous were the requests for full texts of the address which President George A. White of State Mutual Life made at the American Life Convention meeting on "The Penalty of Prominence" that the A.L.C. staff promptly ran off copies on the mimeograph. There were available copies of the digests made for press use but the seekers were after the complete talk and nothing else would suffice.

John Hanna, H. & A. Underwriters Conference; F. L. Harrington, Paul Revere Life; W. L. Wilkinson, Connecticut General; and Miss Elizabeth Bed of the American Life Convention at the A.L.C. meeting in Chicago.

Purchasing 'Wave' Attracts Attention

(CONTINUED FROM PAGE 3)

inheritance tax. In closely held companies where the owners are getting along in years the question arises as to the future of the company following their deaths. These shares may never or very rarely be traded in, and if it became necessary to sell large, controlling blocks in order to raise cash for estate tax, the price might be depressed because of the urgency to sell, or because of the time and also control might fall into hands that would not have the true life insurance spirit and that might merely be engaged in a stock jobbing or even a milking operation. Hence some of the owners feel the desirability of getting their houses in order at a time when the stock has a high value and when the purchaser can be selected, and the welfare of the policyholders, agents and employees can be given the fullest consideration.

In the past few years there have been several mutualization programs undertaken mainly to protect the company against the possibility of an upheaval brought about because of operation of the estate tax. The current trend, however, seems to be to sell to another company.

Economies Due to Size

One of the considerations that may cause a buyer to stretch its price is that by acquiring a substantial block of business it can effect important economies that go with size, not only in respect of the business that is acquired but also as to its own business. These economies may be particularly impressive if the executive salary account is reduced by reason of the passing from the scene of some of the high officials of the reinsured company. Also a company, by increasing its size, stands to gain in prestige and that helps in developing its agency force. Size has numerous advantages that can't be spelled out exactly in dollars and cents, but that are well recognized and that tend to enhance the value of a block of business and a corps of new agents from the buyer's standpoint.

U. S. Life Group Men Talk

Fred O. Becher, Jr., manager of the group department for U. S. Life, advised those attending the meeting in New York City of the Assn. of Manufacturers of Confectionery & Chocolate that the insurance industry is equipped and has the desire to service social insurance needs in writing compulsory sickness and accident cover under the New York law. He emphasized that both Governor Dewey and Mary H. Donlon, chairman of the New York workmen's compensation board, had asked that properly regulated private insurance should be given the opportunity to prove whether it can adequately service social insurance. Also present from U. S. Life was William P. White, director group sales and service.



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A current John Hancock advertisement which indicates how the spirit of American Independence is fostered and strengthened by Life Insurance. So that these benefits may be shared by all, the John Hancock offers life insurance in all its forms: life, endowment and term policies, juvenile insurance, retirement income policies, annuity contracts, and all plans of group coverage.



He gave us freedom from pain

"Your patient, Dr. Morton."

William Morton stepped up to the operating table. Inwardly, he was trembling. Would it work? Could his "ether" really lighten man's burden of pain?

He looked at the faces around the table... well-known, important faces. These were the physicians who were giving him a chance to prove his discovery. There was unbelief in the eyes of most of them. But in the wide, frightened eyes of the patient was an appeal that could not be denied.

He picked up the ether syringe. One. Two. Three...

Slowly, the patient's eyes closed. Calmness came, and sleep. Morton nodded to the surgeon. "Ready," he said.

The scalpel bit into the flesh. Always this had been the time when the horror began, the time when the burly guards would fling themselves on the patient as he tried, in a madness of pain, to leap from the table.

Now there was no horror, only peace. The patient slept. The operation continued. And in that room there was the silence of a miracle. Pain, the enemy, had been dethroned.

Once again, an unknown American had become great through his desire to help others through the more trying experiences of life.

This sincere regard for the welfare of others is one of our American traditions. It is the reason why we believe in being good neighbors, good friends, good parents... doing all we can for the well-being of those who share our lives.

John Hancock

MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS



THE PROFESSIONAL APPROACH

By Joseph J. Loughlin, Jr., New York

After being in the general insurance business for a while, things seemed to progress very nicely—that is, until World War II came along. I spent almost five years in the Army, mostly overseas, and I had a great deal of time to think about my future in the insurance business, after the war. It became very evident to me that a more professional approach in my insurance selling activities would be of great benefit.

As a result, upon my discharge, I attempted to find a means of approaching the sale of insurance from a professional point of view—and I was referred to the Provident Mutual and to my present general agent, George P. Shoemaker. An introduction to the colorful "Chart for Living" monthly income graph seemed to be the solution to my problem of professional selling. I immediately joined the agency and began to concentrate on using the Chart.

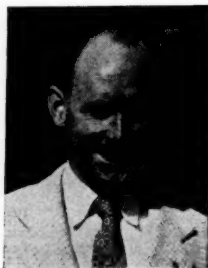
This I was able to do very successfully, for my enthusiasm for the Chart and life insurance made it rather easy for me to make sales. Those persons to whom I present the Chart are, for the most part, so impressed that referred leads are readily forthcoming.

By selling with the Chart I have

certainly attained my goal of professionalizing my approach. My average policy the first year was over \$8000 and last year it was even higher. This certainly bespeaks the high quality clientele that can be built through the medium of the Chart.

An example of how the Chart can improve the quality of a sale is found in the case of a prospect who was convinced that he needed \$10,000 of term insurance to fulfill his insurance needs. This man was sold before I ever talked to him and yet, when I had completed his Chart, he came to realize that \$10,000 of term insurance was insufficient—and he bought \$30,000 of ordinary life instead.

During my first two years of selling, I sold over \$600,000 of life insurance of which more than \$400,000 came from Chart presentations. Most of these sales would have been nonexistent, or at least considerably smaller, if I had not made use of the "Chart for Living." I plan to continue my selling with the Chart because I feel that, besides giving me a greater volume of sales, it gives my clients a most effective and efficient solution to their insurance problems.



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